Does Canada Need a Central Bank? Page 3

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Canada's $50,000,000 Bay Route Suffers Shattering Blow

Prime Minister Takes Steps to Curtail Civil Service

Hudson Bay Route Gets Severe Blow

TOTAL loss of the Cardiff tramp Bright Fan, 3,791 gross tons, which collided with an iceberg in the eastern passage of Hudson Strait during the night of October 1, strikes a severe blow at the prestige of the Hudson Bay route almost at the very time of its inception.

The Bright Fan was one of the first dozen ships to attempt the route since the official opening last year. The ship had received every aid to navigation which present day invention makes possible. In fact, the Bright Fan had navigated from Fort Churchill, eastbound, with a 253,000 bushel cargo of wheat, without once obtaining sight of the sun. The ship was steered entirely by aid of the government direction finding stations, and the voyage had been hailed as a distinct triumph of man over nature. In the final stages of the voyage, however, the Bright Fan encountered an obstacle which science and governments are quite powerless to guard against. The result was that she tore herself open at 4.23 a.m., a time of complete darkness in those northern waters, and foundered three hours later. The captain and the crew, having taken to the open sea in boats, were picked up by a government icebreaker.

* * *

THE loss of the Bright Fan deals the Hudson Bay route a severe blow at the very time when the prairie provinces and the Federal government were preparing to launch a vigorous campaign for lower marine insurance rates. The new route, which has cost the taxpayers more than $50,000,000, has been made to function by reason of government subventions in the form of free elevator service and similar aids. But it has been well understood that the Hudson Bay route must remain a white elephant unless marine insurance rates could be reduced to something approaching the rate basis for the St. Lawrence, and, in addition, the navigation season lengthened. Only a few weeks ago, the Canadian government addressed a strong protest to the marine insurance underwriters at London. There was to be a re-opening of the whole question, with a decision expected before the 1933 shipping season.

In comparison with the St. Lawrence route, insurance both on hulls and cargo on the Hudson Bay route is about ten times greater. The shipping season on the St. Lawrence extends throughout six months of the year. On the Hudson Bay route, the normal season, when insurance can be obtained, extends only for about 50 days. Hull insurance is granted for the complete season and not for a single voyage. Thus a vessel trading into the St. Lawrence would pay an average premium on the hull of about 4 per cent. Taking an average tramp ship this works out at $4,000. But for this premium the ship can make a dozen voyages, reducing the cost per voyage to about $330. The lowest premium on hulls on the Hudson Bay route is 3½ per cent. The cost for an average tramp ship would be $3,500 and as only one voyage is possible this full burden must fall upon one cargo. The comparison, therefore, is between $330 for the St. Lawrence and $3,500 for Hudson Bay.

* * *

WITH regard to cargo insurance a typical case is given in a shipment of liquor imported by one of the western liquor commissions. The insurance, actually paid, on the Hudson Bay route was $314 whereas the premium on the St. Lawrence route would have been only $38.

Obviously the new route cannot succeed unless insurance rates are reduced. And the sinking of the Bright Fan will effectively check any trend toward lower rates as far as the underwriters are concerned. Looking back over the history of the new route, and having regard to the strong political pressure exerted upon the government to pour tens of millions of public funds into the project, it may be anticipated that the next move will be a strong agitation for state insurance. It would, indeed, be folly for the Federal government to bow to such a demand. Enough money has been thrown into this venture already.

* * *

Reducing Staff in Federal Offices

THE government at Ottawa merits the approval of the business community for having taken,

(Continued on page 2, col. 3)

EXCESS TAXES MILK MOVIES OVER CANADA

Special Imposts Above General Taxes Create Heavy Load

NO PROFITS LEFT

Dominion, Provinces and Municipalities Join in Racket — Industry is Defenceless

Dominion and Provincial Governments and municipalities tax the motion picture industry in Canada so heavily that in the opinion of operators it approaches the dimensions of a legal racket. With $5,130,000 estimated as the total exacted directly or indirectly from 800 operating theatres, or an average of $6,412 from each, many small theatres have been or are being closed. Less than half this amount represents taxes shared by other business firms.

Summary of Taxes

A summary of the taxes paid by the industry reads as follows:

Amusement Taxes	$2,000,000
Censorship	200,000
Licenses (Prov. and City)	20,000
Customs Duties on Films	400,000
" " " Accessories	80,000
" " " Equipment	50,000
Exchanges—General Taxes (not included above)	150,000
Seat Taxes—Theatres	230,000
Other Taxes—Real Estate and Business	*2,000,000
	$5,130,000

*Estimated.

Duties Are High

Because positive films from foreign countries pay three cents a foot customs tax, or more than 100 per cent, United States film producers send negatives into Canada and six to eight positives are reproduced from the negative, which is then returned to the United States. The duty is not refunded because of the return of the negative. British pictures coming into Canada get a preferential rate of 1½ cents per foot, and it is rumored that there may be a reduction in this rate at the next session of Parliament. The rate on negatives is four cents a foot from the United States.

Make Arbitrary Valuation

A sales tax of six per cent and an excise tax of three per cent is levied on the value of printed films imported, whether from British or foreign countries. While this is the same as on other imports the Government gets more than double these rates because it sets an arbitrary value on films of eight cents a foot as compared with a cost of less than three cents per lineal foot.

Exchanges distributing pictures have to pay in every province but Prince Edward Island provincial license fees of from $100 in Ontario to $300 in British Columbia, and these fees have no reference to the amount of business done. Saint John, N.B., Vancouver and Winnipeg also collect additional license fees.

Carry Eight Censorship Boards

The high cost of censorship is a large grievance in the industry. The cost of censoring pictures varies from $2.50 to $6 per reel but it has to be paid in each province whereas in Great Britain and Australia a national censor board does the work and collects one fee. The total cost of censoring the average seven-reel picture in Canada is estimated at $178.50 per picture, without additional charges for appeals. It is about $50 per feature in Great Britain and $17 in Australia. There are additional special censorship fees for censoring short advertising features in some provinces. The fees do not represent the cost of censorship as every province makes a profit out of it, Ontario alone making $90,000 in 1931.

The Dominion Government, in addition to the duties referred to, collects more than 80 per cent on advertising accessories, that is, photos and colored printed matter brought in for use with each picture imported.

Seat Taxes Are Heavy

In addition to the taxes on other business there are seat taxes or municipal license fees in cities and towns charged by municipalities. Montreal, for instance, charges 85 cents per seat annually. Toronto is much lower with a flat rate of $50 on theatres of less than 600

(Continued on page 2, col. 3)

Mining Men Wonder If Hydro Commission Intends To Dominate

See in Abitibi Canyon Deal First Step in New Policy

MINES MAIN OUTLET

To Secure Established Market Must Acquire or Fight Canada Northern Power Corp.

Northern mining men expect that completion of the Abitibi Canyon power project by the Ontario government will be the opening gun in a Hydro-Electric Power Commission campaign to dominate the power situation of Northern Ontario as it does in Southern Ontario. Premier Henry's decision to extend beyond October 1, the date before which Ontario Power Service bondholders must turn in their bonds, seems to them to show the government fully determined on acquisition. But the Ontario government will not be content to stay in the ridiculous situation of paying about $23,000,000 for a completed power project and then having little outlet for that power. It can only gain that market in a large way, in the opinion of important mining men in Timmins and Kirkland Lake either by fighting Canada Northern Power for contracts it already possesses or by acquiring the Ontario assets of that company.

But Canada Northern is strongly entrenched. It took a chance in the early days of the proven districts and it has grown up with them. It has long-term contracts which are profitable to it and which apparently have been fair so far to the mining companies. Hydro with cheap power could get new contracts but it could not find an important outlet without old Canada Northern contracts being broken and without offering the mines better terms unless it acquired the Canada Northern assets.

Law Makers Visit Northland

While it may be a coincidence that Premier Henry and his party of law makers visited Northern Ontario mines and power sites just before the decision had to be reached on whether or not the government would extend the offer to the bondholders of the Ontario Power Service Corp. beyond the October 1 limit, it is evident that power for Northern Ontario will occupy increasing attention in the cabinet if the Abitibi canyon deal is consummated. It has extended the time and it appears likely therefore that a policy of power expansion in the north has been decided on.

If and when the conversion of Ontario Power Service bonds for Ontario Hydro-Electric Power Commission bonds is completed, Hydro will definitely be in the power picture of Ontario's northland. It will be in possession of a 275,000 horsepower modern hydro-electric plant at the Abitibi canyon, a transmission line to Hunta, with extensions to the Iroquois Falls and Smooth Rock Falls plants of Abitibi Power & Paper Co., and with a 190-mile transmission line completed last year from Hunta to Sudbury. With the exception of the 16,000 horsepower contracted for by International Nickel, the big project will be without power customers. With a $23,000,000 power investment facing Hydro, plus the expenditure for the 190-mile transmission line to Sudbury, it is not to be wondered at that the law makers at Queen's Park are evidencing concern for the future of the project.

Electric-Steam Load 128,000 h.p.

Abitibi Power & Paper Co. sponsors of the project had, in addition to the 100,000 horsepower contract with the Ontario Hydro, a potential load of 128,000 horsepower for electric-steam boilers at the Abitibi mills replacing coal-fired boilers. In order to provide for the electric steam-boiler requirements, the Ontario Power Service Corp. placed orders with the Canadian Westinghouse Co. for three 13,000 K.V.A. transformers for the Smooth Rock Falls plant and six 9,500 K.V.A. transformers for the Iroquois Falls plant. This is equivalent to facilities for a

(Continued on page 2, col. 3)

Canada Wire Gets Large Rod Order

From Our Own Correspondent

MONTREAL. — Canada Wire and Cable Co. is understood to have received a large order from England for several thousand tons of copper rods. This will permit the carrying on of operations at a high level in the Montreal East plant until the spring of 1933.

Operations of the company are said to have been fairly satisfactory for some time. Steps have been taken to widen the list of products manufactured and to this end new equipment is to be installed in the Montreal East plant.

Though the volume of business has held up the company lately passed the dividend on its "A" stock. It is said this action was brought about by the decline in the company's inventory values.

ACCEPTANCE CO. FEELS DECLINE IN AUTO OUTPUT

Earnings to Date Sufficient to Cover Debenture Interest

From Our Own Correspondent

MONTREAL — Reflecting the trend of production, business of Industrial Acceptance Corp. in the automotive field has shown a sharp decrease this year. On the other hand refrigerator and radio financing has been fairly well maintained; the company's diversification of other miscellaneous business has always been a stabilizing factor in its activities.

Overdue payments have tended to decline and repossessions have also been on a lower scale. Those close to the situation claim that credit extended in the past two difficult years has been healthier than that existing in 1929 when the market crash disrupted collections.

Earnings of Industrial Acceptance Corp. have tended to decline though they have been sufficient to cover debenture interest to date. Disbursements were made on the class "A" stock in the first half of the year, but it has not yet been decided what action will be taken for the balance. Profits were equal to $1.22 a share in 1931 and dividends paid totalled $1.20 a share. The stock is privately held.

Liquid position of the company is reported as satisfactory. At the end of last year it was stated that reserves for credit contingencies and deferred income were at the highest level to be recorded both as to volume and as to percentage to outstanding receivables.

ABITIBI OWES BANKS $4,300,000 INCREASE SUDDEN

May Refer to General Power Liability of $4,250,000

Considerable interest is being directed by creditors and shareholders of Abitibi Power & Paper Co. to the report that the company is indebted for trade debts, current accounts and bills payable for the amount of $850,000 as compared with $1,360,194 on April 30, 1932, for deferred liabilities to the amount of $2,500,000 as against $3,076,806 on April 30 last, and to bankers for $4,300,000 as compared with $4,500,000 shown at the end of 1930, $3,400,000 shown at the end of 1931, $2,130,000 on April 30, 1932, and $300,000 announced in an official statement on August 1.

It is understood that bank loans went down to $100,000 later and the sudden increase is believed to have some reference to the item shown in balance sheet on April 30 of a deferred liability of $4,250,000 with regard to the purchase of General Power & Paper Co. This liability was shown as secured. Abitibi was also the guarantor of obligations of General Power & Paper Co. in connection with its purchase of Thunder Bay Paper Co.

The receivers' statements from time to time with regard to the affairs of the company will be awaited with great interest as it becomes more and more apparent that the contingent liabilities of the company have been the most important in bringing about its failure to pay bond interest and the later receivership and bankruptcy proceedings. These were incurred in connection with the company's expansion programme inaugurated some years ago.

The receivership and bankruptcy petitions are not mutually conflicting. They enable the receiver and liquidator to co-operate in giving attention to the problems of the company on a unified plan in the interest of creditors and eventually of owners.

"Does Canada Need A Central Bank?"

The Canadian Bank Act is to come up for revision shortly. Most important question that public and parliamentarians will have before them is that of a Central Bank for Canada.

Strong arguments are presented for the establishment of such an institution as the cornerstone of a programme of recreation of the Canadian credit and monetary systems. But those who oppose a central bank are emphatic in saying that we do not need one, and would not benefit from one.

The average business man confesses himself somewhat puzzled by the technical argument of the economic logicians. He wants some one to cut through the fog of debate and tell in business-like language what a central bank is, how it works, what it has done for other countries, what it could do for Canada.

The Financial Post, beginning with this issue, will publish a series of seven articles on a Central Bank for Canada, written and rewritten carefully but simply by an able authority, A. F. W. Plumptre, lecturer in money at the University of Toronto.

The articles are written without bias and with no preconceived prejudices.

DOSCO FIGHTS BIG PROBLEMS IN HARD YEAR

Position Reasonably Well Maintained Despite Difficulties

MANY ECONOMIES

Mining and Steel Activity at Low Ebb But Shipyards Provide Bright Spot

From Our Own Correspondent

MONTREAL—Despite unprecedented conditions in the steel industry, the general position of Dominion Steel and Coal Corp. has been reasonably well maintained during the current year. Liquid position is regarded as fairly satisfactory and though the company has been called upon to face what has probably been the most difficult year in the history of the big Maritime organization, close observers indicate that it has come through surprisingly well.

Economic conditions have hit at every one of the company's chief activities. Coal mining, steel production and ore shipments have all been sharply affected in common with the lot of similar industries throughout the world; only by the most rigid economies has it been possible to maintain the position of the company as it is today.

Some Bright Spots

Out of the gloom of inactivity which surrounds the greater part of the company's operations one or two factors stand out in encouraging relief. Halifax Shipyards, wholly-owned subsidiary, has been, and is quite busy on a variety of orders, the largest of which comprises the rehabilitation of the Canadian National Steamship "Prince David." This contract, which has been estimated at around $500,000, is giving work to 300 men for four and a half months; completion is expected in November. Various other smaller jobs have kept the shipyards working at a fair rate of capacity.

The other bright spot is receipt of a 15,000-ton rail order from the C. N. R. Though rolling has not yet commenced, it is expected that one Sydney blast furnace will be blown in within the next few weeks and operations at the Trenton rail mill will be carried on for some time. Possibly the company will take advantage of the furnace activity to roll rails for stock purposes giving employment to workers for as long as possible.

Looks to Railways

This division of Dominion Steel and Coal Corp.'s activities looks to the railways chiefly for demand for its products. Though there is a wide diversification of production, orders for rails and co-related equipment have in the past formed the nucleus of the steel business. With grain moving faster and railway earnings improving, there is a possibility that further railway business may be forthcoming in the not too distant future.

Has No Car Contracts

Eastern Car Co., a subsidiary manufacturing rolling stock, would also stand to benefit from any demand for rolling stock. This unit is slack at present like other equipment manufacturers, and can hardly look for any tangible betterment in its operations until traffic conditions enable railroads to come into the market for new orders.

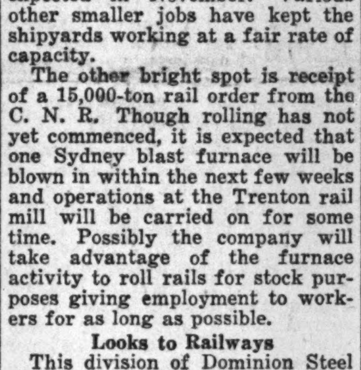
Colliery Hoist Declines

Colliery operations of Dominion Steel and Coal Corp.'s mining subsidiaries have naturally been affected by the industrial situation and the hoist during the current year has decreased substantially. Further, competition from imported coal has been a serious factor to contend with. British coal delivered at distress freight rates and paid for in depreciated currency has resulted in cargoes of soft coal being introduced into the Maritime provinces which has an unsettling effect

(Continued on page 2, col. 2)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 4	33.4	31.5
Week of Sept. 27	33.9	31.7
Month of Oct., 1931	36.0	32.9
8 Bank Stocks		
Week of Oct. 4	181	179
Week of Sept. 27	181	179
Month of Oct., 1931	216	216
10 Public Utilities		
Week of Oct. 4	52	50
Week of Sept. 27	52	50
Month of Oct., 1931	59	56

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Central Bank

Elsewhere on this page a larger announcement appears of a new series of articles on the subject of a central bank for Canada. The first of the articles appears on page 3.

Russia's Farms

Thornton Purkis, Toronto advertising man, who spent the summer in Russia, gives his personal impressions of the collective farms of Soviet Russia. Page 9.

Hydro in North

Ontario Government has a $20,000,000 white elephant on its hands in the Abitibi Canyon project and may have to buy the Canada Northern Power Company to get outlets. A thorough review of the northern power situation. Page 1.

Wheat Preference

Most economists have declared the British preference on Canadian wheat to be valueless to the Canadian farmer; some even call it a menace. But Maj. H. G. L. Strange, western grain economist, takes the opposite view and gives his reasons in full. Page 9.

France, Germany

The business outlook in France, Germany and Britain, as seen by a large scale business executive. In the "World at Large" column page 6.

Prevent Fires

We are now entering Fire Prevention Week. Canada's fire loss is $47,000,000 a year and can be lowered by care. Pages 12, 13.

Cattle Loans

An intimate story of how the Dominion Agricultural Credit Corporation is helping Western farmers to gain diversification in their activities. Page 8.

Trade in Nfld.

After study of carefully compiled reports, the business editors have written a survey of business conditions in Newfoundland. Page 9.

Market Leaders

In the series of articles on the possible stock market leaders of tomorrow, attention is this week directed to the three stocks of Canadian Canners. Page 11.

OUTLOOK GOOD AS TO FUTURE WHEAT EXPORT

Wheat Price at New Low But Export Movement Continues

From Our Own Correspondent

WINNIPEG.—Price of wheat on the Winnipeg market has lately been at the lowest levels in the history of this market, since it passed below the 50-cent mark. Observers thought they detected some signs of support from the interests acting on behalf of the Dominion Government to prevent it getting below 49 cents, but that was apparently of brief duration, and for the most part the market seemed to be stabilizing itself just below 50 cents as it had been just a short time previously just above fifty cents.

Were it not for the low price the trade situation could be considered reasonably satisfactory, for Canada's actual export shipments of wheat have increased almost steadily since the beginning of the crop year, and during a two weeks period went forward at the rate of more than a million bushels a day. More than half the export business of the world has now been done by Canada for a considerable period, which is more than the total of world shipments for a brief period at the end of August. World shipments show an increase from less than seven million bushels in a week at that to over thirteen million bushels, although part of this increase has been offset by an increase in the quantity of wheat afloat, which had been reduced to little more than twenty-five million bushels.

U. S. Prices Still Higher

Markets in the United States continue at levels well above those of Canada, which prevents almost entirely, but not quite, export shipments from that country. Some small quantities continue to go out in completion of farm board sales previously arranged, and there are also minor shipments of wheat of special grades, together with a limited export of flour to certain markets, such for example as that in Cuba, in which other countries find difficulty in competing with the United States. Such export, limited as it is, will nevertheless be sufficient to eat into the surplus wheat of the United States, and bring it out next July with a somewhat reduced carry-over.

Consequently, observers are a little less confident than they were a short time ago in supposing that markets there cannot long continue at levels above world prices. Other grains have been comparatively more depressed than wheat, for corn sold within the week as low as 25 cents a bushel in Chicago, and oats were quoted at fifteen cents on that market. Should the current price situation in wheat remain it

(Continued on page 2, col. 2)

LAURA SECORD EARNINGS KEPT AT HIGH LEVEL

Will Show Some $5 Per Share in Year Just Ended

Laura Secord Candy Shops Ltd. is understood to have maintained a highly favorable record of earnings in the year just ended on September 30 and while official figures are not available it is understood that earnings will approximate $5 per share, well above the $3 annual dividend rate that has been in effect since the increase from a $2 rate in November, 1929. In 1931 the company reduced its price from 60 cents to 50 cents per pound and as a result experienced an increased demand for its products which has continued during the past year. While increased unit sales can be expected it would seem possible that dollar volume of sales might also show some increase over the volume of $1,861,511 reported for 1930-31.

Appreciation in the company's investments may be an important item in the balance sheet. Surplus of the company has been built up steadily since 1926 and investments in high grade government bonds has grown accordingly. Just prior to the closing of the company's fiscal year in September, 1931, security prices dropped sharply following Great Britain's going off the gold standard and Laura Secord Candy Shops Ltd. was the first company to write down its investments following the decline.

Investments Increase

The provision for depreciation in market value of securities amounted to $79,207 in the year ended September 30, 1931, and the investments of the company were written down to $1,115,385 or less than market value. In the past three months improvement of prices of high grade securities has regained the losses of the past year and the securities held by Laura Secord are undoubtedly selling above the levels at which they were carried in the last annual statement. It would seem probable that securities owned by the company have appreciated in value by at least the depreciation written off last year and that the investment account at market value could well exceed $1,350,000.

Due to higher unit volume of production it is believed that the company has been able to show some reduction in cost of manufacture and has not taken recourse to salary or wage reductions. Increased taxation, however, would partially offset savings in operation. Engaged in a luxury type of business, the manufacture and retail distribution through its own stores of chocolate products and confections earnings of the company could naturally have been expected to fall off in the past

(Continued on page 8, col. 6)

FREE ENTRY U.K. CAR PARTS SAID COMING

Most Important Budget in Many Years Due Oct. 13

OTHER PACTS PEND

Legislation to Implement Ottawa Pacts Will Contain Sweeping Changes

Free entry for automobile chassis, engines and parts from Great Britain may be a feature of the Canadian budget when parliament opens next week, The Financial Post learns. Tentative date of opening is said to be October 13. Other important items on the free list may include electrical equipment and radio tubes or "valves" as they are called in England, it is said. Aim of the automobile schedules probably would be to give British manufacturers every opportunity to enter the Canadian market but to insist on a certain amount of Canadian workmanship.

Anthracite coal, it is rumored, will also be mentioned in the budget and increased preference given to British producers by increasing the duty on foreign anthracite from 40 cents a ton as at present to probably 60 or even 75 cents. British anthracite would still be admitted free. Coal mining companies in the U. S. A. have been absorbing part of the adverse exchange rate in order to assist their Canadian dealers to meet competition from British coal but a further increase in duty would doubtless effect a further considerable curtailment in U. S. exports to Canada.

As to British films a further preference will be given, it is understood, but no quota will be set up. The present tariff is 3 cents a foot on positive films with British films coming in at 1½ cent per foot.

In Return for Wheat

The concession on British autos, The Financial Post understands, will be the only one in the iron and steel classification which will differ materially from the plan agreed upon by British and Canadian iron and steel leaders when they met at Montreal prior to the Imperial Conference and drafted a new basis for trade between the two countries. The special concession to the British motor car manufacturers was put in, it is said, as a result of the insistence by Prime Minister Bennett on a 6 cent wheat preference and represents an important quid pro quo on Canada's part in return for this preference.

Leading officials in the automobile industry when asked about a preference on British cars, scouted the possibility of such action being taken. They expect that the new tariff schedules will show a greatly increased preference for British motor trucks and buses but are highly sceptical of free entry being allowed to British cars.

Tariff Outlined

According to the present Canadian tariff, British passenger automobiles and chassis imported into Canada pay either 12½ or 15 per cent duty as against an intermediate and general tariff ranging from 17½ to 40 per cent. The schedule briefly is as follows:

Passenger cars and chassis	British Pref. %	Inter. %	General %
Valued to $1,200	12½	17½	20
Val. $1,200 to $2,100	15	22½	30
All vehicles n.o.p.	15	30	40

One value of a free entry privilege to Great Britain at the present time would probably be to facilitate exchange agreements such as the one recently worked out between the English and Canadian Ford companies whereby the English company will market small cars in Canada and the Canadian company will market eights in the British Isles. Such a concession if realized would also prove a substantial stimulus to British manufacturers to market their wares in the Canadian field to a much greater extent than heretofore, and probably lead either to the establishment of

(Continued on page 8, col. 5)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Abitibi	4, 11	Gen. Brock Htl.	9
Acceptance Corp.	1	Goodyear	4
Bathurst Pwr.	4	Grand Trunk	11
Beauharnois	4	King Edward	11
Bell Tel.	1	Laura Secord	1
Brazilian	15	McColl Front.	11
B. C. Packers	4	New Eng. Power	5
B. C. Power	4	Ottawa Val. Pr.	4
Building Prod.	5	Price Bros.	5
Burns & Co.	11	Roby's Products	3
Can. Northern	4	Sherwin Paint	5
Can. Industries	5	Sin Mac Lines	11
Can. Canners	11	Thrift Stores	5
C. N. R.	11	Tip Top Tailors	11
C. P. R.	4	Union Gas	8
Dom. Sq. Bldg.	9	United Bond	9
Dosco	1	United Fuel	11
Gatineau Pwr.	11	'Peg Electric	11

MINES AND OILS

Bussieres	16	Macassa	16
Dome	5, 16	Mill City	16
Georgia River	16	Pandora	16
		Skidgate Sunrise	16

QUOTATIONS

Bonds	14	Mines	15
Grain	14	Stocks	14

REGULAR DEPARTMENTS

Answers to Enquiries	11
Business	7
Banking	10
Editorial	6
Insurance	10
Mining	16
Utilities and Transportation	4

Bell Telephone Revenues Helped by Employee Sales

From Our Own Correspondent

MONTREAL—Sales efforts of employees of the Bell Telephone Co. of Canada for the first eight months of this year resulted in adding more than one million dollars to the annual revenues of the company. This is almost double that reported for the corresponding period of 1931.

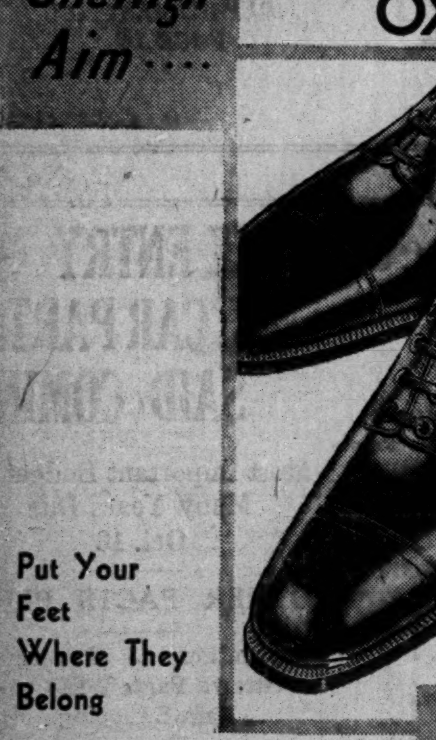
Records compiled by the head office show that sales to the end of August had an annual value of $1,044,971, as against $533,800 for the same months last year. Increases were shown in each month, with the exception of August, when sales had a value of $80,958, compared with $90,100 for the same month in 1931.

The Bell Telephone Co. of Canada, as well as the other telephone companies elsewhere in the Dominion and in the United States, has actively pushed the employee selling plan. The whole system is divided off into areas and all the employees enrolled in small groups for more efficient and more intensive selling campaigns. The results to date have greatly exceeded early expectations and have been no small factor in keeping down the station loss and declining in revenues from toll traffic.

While no official statement has been issued by the management as to the trend of current earnings, it is understood that net income up to date has been under that reported a year ago. During the past year the company failed to earn all of its dividend charges by a small margin. This is likely to be the case for 1932,

Built to One High Aim....

Birkdale OXFORDS



Put Your Feet Where They Belong

....into Birkdale Oxfords. Every pair so expertly styled that they are as easy to look at as they are easy to wear. In brief: Birkdale Oxfords, with our years of shoe experience behind them, are made to be the best shoes available at, pair, $5.00.

—EATON'S—Second Floor—
—Queen and James Streets—

....to be the best $5.00 Shoes made

THE T. EATON Co LIMITED

The Nation's Business

(Continued from Page One)

a few weeks ago, drastic steps to reduce the number of federal civil servants and thereby to lower the cost of transacting public business.

For many years the rapid growth of Ottawa's army of state supported employees has been a source of alarm and discouragement to business men throughout the rest of Canada, if not in Ottawa. There seemed no end to the expansion of the civil service, to the enlargement of the government's payroll, to the need of rented buildings in which to house this plethora of staff and equipment. In 1912, Canada got along with 20,016 civil servants and paid them $18,000,000 per year. In 1931 there were 45,581 employees of the federal government and the cost had run up to the staggering total of nearly $95,000,000. During the life of the King administration, while there was much talk of civil service reform, and while many leading papers—The Financial Post was one of them—carried on a persistent campaign for efficient reorganization, the payroll at Ottawa grew by at least 1,000 persons per year, sometimes more.

In 1932 came a ten per cent salary cut, and a little earlier the return of the natural resources resulted in a drastic curtailment of staff in the interior department. But no concerted effort to meet the situation of over-staffing was made.

Finally, last summer, the Bennett government attacked the problem in earnest and by two measures only recently made public prevented conditions from becoming worse and made further improvements more easily attainable.

* * *

AMONG civil servants the great thing is to be made a "permanent" employee. To this end political and other varieties of pressure are exerted upon ministers and higher officials. Once a person becomes a "permanent" employee he cannot be dismissed except for cause and except by order-in-council.

Last June 14, the Bennett government passed an order-in-council based upon a memo from the Treasury Board which states that it is, "expedient to obtain a more effective control of the cost of personnel in the public service." The order forthwith abolished all permanent positions vacant as at July 30 and decreed that all future vacancies also should be automatically abolished. The only exception to this general order was that a vacancy might be filled provided the deputy minister of a department certified in writing that the public service would suffer if an appointment was not made. Furthermore, the order prohibited all salary increases after the close of the present fiscal year—March 31, 1933.

Apparently this order did not deter the higher officials of the service from carrying on as usual in the matter of appointments and promotions, so a subsequent minute of the Treasury Board was passed, on July 18. This minute virtually prohibited the appointment of outsiders to the permanent service, and made promotion within the service next to impossible. The only justification for the appointment of an outsider to the service is that the work cannot otherwise be performed efficiently. Even then, a temporary appointment is indicated in order that some person already in the permanent service may be taught how to do the job.

* * *

HEREAFTER as civil servants retire or die, their positions will in practically all cases be abolished and the work will be absorbed by others in the department. This, of course, does not apply to deputy heads nor to the heads of branches, but it does apply to more than 90 per cent of the service at large.

To a private business firm such a roundabout way of carrying out essential staff reduction seems somewhat strange, as does the order barring promotions. It makes little distinction between the efficient and the inefficient and it will undoubtedly curb initiative. But bureaucracy has its own peculiar way of doing things and while objection may be taken to the way of doing it, the ultimate objective of staff reduction, with a consequent raising of efficiency all around, is eminently worthy. Mr. Bennett is at least trying to grapple with a difficult problem.

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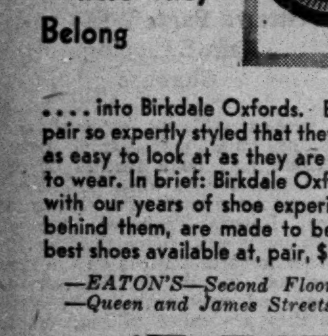

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OUTLOOK GOOD AS TO FUTURE WHEAT EXPORT

(Continued from page 1)

would mean that the export business for the year would be mainly divided between Canada, Australia and the Argentine, with Canada's total exports for the year reaching a satisfactory total.

Canadian Wheat Popular

Germany is shipping some fairly large quantities of wheat, and France of flour at the present time, but in each case substitution of hard wheat will be made under the import license system. British millers are probably now using a greater percentage of Canadian wheat in their milling mix than they have ever done, because of the very limited offerings from other sources, and the fact that Canada is underselling competitors.

As harvest in the southern hemisphere approaches, the expectation appears to be that in both Australia and the Argentine crops will be fairly good, but hardly more than average yields, so the total production, even from increased acreage will not be very much greater than that of last year. Even though acreage is up from last year it is still considerably less than two years ago. Offerings of new wheat from both countries for January shipment are now being made, although not in great quantities.

More than 150 million bushels of new wheat have now been delivered by farmers. There is still a large amount of threshing to be done, where wet weather has caused delay. Reports from all three provinces indicate that farmers have placed very large quantities of wheat in granaries on their own farms, and hope not to have to haul it out until prices are better. At present such delays in deliveries are undoubtedly useful, tending to lessen immediate pressure on the market.

DOSCO FIGHTS BIG PROBLEMS IN HARD YEAR

(Continued from page 1)

n the domestic industry. From the United States there have also come added difficulties. The disrupted state of the coal industry in that country has resulted in strenuous competition; some companies, it is stated, have been willing to absorb the difference between Canadian and U. S. currency in payment for deliveries while railways have reduced rates to the border in an effort to obtain the tonnage.

Duties on coal imports, it is admitted, have helped and the subvention allowed Canadian railways has also been an encouraging factor. But it is claimed that the benefits of these two factors have been largely offset by the activity in imports, though without the duties and subventions the coal industry in the Maritimes would be in a parlous plight.

Labor Problem Still Exists

As far as the labor situation is concerned, outlook in Nova Scotia coal mining is still uncertain. The recommendations of the Duncan Commission were helpful, it is claimed, but they have not entirely solved the problem. A new labor organization, the Amalgamated Mine Workers, has come into existence and has largely displaced activities of the old U. M. W.

What the company needs is a larger market for its coal. Through the subventions some substantial deliveries have been made in Ontario, but they have been hampered, according to observers, by the remarkable competition from imports. An upswing in the steel trade should bring about a considerable improvement in the coal situation.

From the great mines of Wabana in Newfoundland relatively few ore shipments are going forward. The question of utilization of this ore was pressed upon the British delegates at the Imperial Conference, and it was understood that certain concessions would be extended by Newfoundland provided more extensive importation of Newfoundland ore into Great Britain could be arranged. As yet, it is understood there has been no definite agreement made in this regard.

Income Down Last Year

The consolidated income account of Dominion Steel and Coal Corp. showed total income in 1931 at $813,737. After provision for depletion and depreciation there remained $226,368 to take care of interest charges of $798,498. A balance of $305,969 was brought forward in surplus account.

The potential earning power of the company was demonstrated in the previous year when income totalled $2,296,390 and earnings were equal to $1.02 a share on the class "B" stock. A feature of 1931 operations was a reduction of bank loans from $3,005,178 to $904,826. Working capital at the end of the year totalled $6,932,099.

EXCESS TAXES MILK MOVIES OVER CANADA

(Continued from page 1)

seats and $100 on larger theatres. The highest flat rate is $500 in North Battleford. Most provinces also exact a provincial seat tax; in Montreal the province takes an additional 50 cents a seat while flat taxes in Canada run from $25 to $400 a theatre. In some provinces there are extra charges for projection machines.

Who Pay Amusement Taxes?

Governments claim that amusement taxes are taxes on the patrons and not on the theatres themselves. Theatres are inclined to think otherwise because of the effect in limiting attendance at least to the extent of the tax percentage. Seven out of nine provinces impose them and the tax percentage on admissions runs from 7 per cent to 14 per cent, the high point being reached in Quebec. Ontario and Manitoba exempt cheaper admissions on the ground that this is of assistance to the working classes. Saskatchewan has no amusement tax but Regina, Moosejaw and Saskatoon impose such taxes.

Special regulations with regard to theatres, many of them necessary but some fantastic, have reduced the number of theatres by 25 per cent and it is claimed that these have raised the cost in some cities and towns at least 10 per cent more than is required. From 1900 to 1928 the industry was profitable but the new conditions and increased taxes have changed this entirely. The industry's unavoidable expenses are high and the need of close figuring these days makes members restive under the doubtful honor of being in the most heavily taxed industry in Canada.

MINING MEN WONDER IF HYDRO COMMISSION INTENDS TO DOMINATE

(Continued from page 1)

128,000 horsepower electric load. In addition three 9,500 K.V.A. transformers had been provided for at the Iroquois Falls plant, which would have made the ultimate load at this plant alone for steam generation purposes about 115,000 horsepower. These transformer installations were part of the programme of the Ontario Power Service Corp., which would carry with it the implication that the Abitibi Power & Paper Co. would be purchasing power from the low tension side of the transformers.

The question has been asked, why is it not possible for the Abitibi Power & Paper Co. to carry through the original plan and buy a block of 128,000 horsepower from the Hydro? Several factors prevent such a procedure. In the first place, Abitibi Power & Paper Co. is in the hands of receivers and to equip plants with electric boilers would call for a considerable capital expenditure. The second and all-important factor is the matter of cost for such power. With the Abitibi canyon project owned by a subsidiary of Abitibi Power & Paper, the price paid for power by Abitibi Power & Paper would not represent the actual cost if one takes into consideration the expectation of Abitibi that it would draw back any profit through its common stock ownership. But with Hydro the seller and Abitibi Power & Paper Co. the buyer, an entirely different situation prevails. In the first place electric power, to be comparable with coal as a source of energy for steam generation, must sell at a price per horsepower per year roughly equivalent to the laid-down cost of coal per ton.

Coal vs. Electricity

Figures given The Financial Post by coal dealers indicate that the laid-down cost of the better grade bituminous coal at the Iroquois Falls plant of Abitibi Power & Paper Co. is about $7.60 per ton. In the past it has averaged almost $8 per ton. It therefore becomes evident that electric power to be competitive with coal for steam generation must sell at $7.60 per horsepower per year. Such a price is unheard of in power contracts to private users. This, plus the fact that a large capital expenditure would be required by Abitibi Power & Paper Co. at a time when it can ill afford such an expenditure, makes the possibility of its purchasing electric power for steam generation even more unlikely.

With this important potential customer practically removed for the time being, covetous eyes are being cast on the only other large power users in the north country, the gold mines.

Serving these gold mines, whose production in 1932 will be approximately $48,000,000, is a private enterprise, Canada Northern Power Corp. with nine power developments, having an installed capacity of 160,840 horsepower. This company and its predecessors over a term of years have steadily expanded to keep pace with the growing requirements of gold mining industry of Northern Ontario. It has a network of transmission lines which give a reliable brand of service not only to Northern Ontario but to the adjacent gold area of northwestern Quebec. Through its pioneering efforts this power company has corraled for the life of the mines the principal producers in the north country. Exception to this general rule of life contracts is the Hollinger which entered into a 15-year contract, which has yet about seven or eight years to run. McIntyre Porcupine Mines also is not signed up for the entire life of the property. The nucleus of this big power corporation which has grown up with the north country had its inception with private enterprise in the early days of Cobalt silver camp. At that time mining operations were being seriously curtailed owing to the cost of power generation by coal, which averaged close to $250 per horsepower per year. As against this, electric power became available at about $50 per horsepower per year.

Power Fights Over

There have been some bitter fights in the past between the power company and some of the gold mines. Rates, the gold producers maintained, were too high, but differences were amicably settled and the prevailing price to all is based on $50 per horsepower per year for the first 5,000 horsepower, $35 per year for the second 5,000 horsepower and $25 per year for the third 5,000 horsepower. At the present time the Hollinger is the only mine to be using 15,000 horsepower, and enjoying the lowest rate. McIntyre requirements do not exceed 5,000 horsepower and it consequently pays the $50 rate. In McIntyre's case this works out to just under 40 cents per ton of ore milled, and is equivalent to 6.8 per cent of the total production cost per ton. For a producer in the Kirkland Lake area like Teck-Hughes, such a rate figures out at about 5.8 per cent of the total production costs. Whether or not such a rate may be retarding the expansion of the industry is a matter for differences of opinion. It is significant to note that in many of the industrial centres of southern Ontario power rates of $50 per horsepower per year prevail under Hydro distribution.

The Ear Falls development built by Hydro to serve the Howey Gold Mines, made possible the operation of this important gold property. Rates of $25 per horsepower per year at the site of development prevail, but this is based on a minimum consumption of 2,000 horsepower. Initially Howey took but little over 1,000 horsepower, and as a consequence its power costs worked out nearly to $50 per horsepower per year. In addition it had to finance the construction of a 45-mile transmission line and absorbed the transmission and transfer losses. In view of the fact that Howey's power bill is currently nearer the $25 rate than the $50 rate it is significant that it is Ontario's lowest cost gold producer, treating the lowest grade ore of any mine in Ontario, but it had its start on a basic rate, comparable with the prevailing rate charged by the Canada Northern Power Corp.

Contracts Not Rates

When a layman compares power rates, he often does not correctly interpret important factors, such as penalties for low-power factor, the basis of calculating peak loads and points of purchase which involve transmission and transformer losses, as well as cost of construction of transmission lines.

One important power consumer in Northern Ontario recently said: "Show me the details of the contract before we start considering basic power rates." In the case of McIntyre Porcupine Mines it is known that the method of assessing peak loads together with its efficient layout of hoisting equipment, practically enables this company to hoist its ore free of power costs.

When the Ashley Gold Mining Corp., the new producing subsidiary of Mining Corp. of Canada, started production in the Matachewan area last month, Hydro was approached for power as was the Canada Northern Power Corp. The Hydro transmission line from Hunta to Sudbury, passes within 22 miles of the Ashley property while the Northern Canada Power Corp. transmission line passes within nine miles. Had Hydro cared to speculate in the development of a new gold area the chance was then afforded to secure the Ashley contract in competition with the $50 rate quoted by the Canada Northern. Canada Northern is currently supplying power to the new producer and the inference to be taken is that its standard $50 contract was more interesting than what the Hydro had to offer.

Took Early Chances

This is a very significant angle to the power situation in Northern Ontario as it is typical of the willingness of Canada Northern to enter new camps and take chances in fostering their early development when their potentialities are unknown. When the Canada Northern entered the Kirkland Lake area this camp's prospects were no brighter than are those of the Matachewan area today. It made possible the development of Kirkland Lake into the largest gold camp on the North American continent. One northern engineer, who holds no brief for the cause of private interests, recently told The Financial Post that he for one was very grateful for the fact that Hydro had not entered Northern Ontario before now. In explanation he said the speculative policy so well exemplified in the case of the Ashley Gold Mining Corp. prompted Canada Northern to serve new mines while Hydro held back owing to the uncertainty of the future.

The claim has been advanced that lack of cheap power is holding up the development of gold mining in Northern Ontario. As far as new properties are concerned such a statement lacks substance as no new properties in Northern Ontario are being held back for the want of power. The greatest amount of ore that awaits production is in the developed properties of the producers, that is, marginal ore that cannot be treated at a profit under existing conditions. There is no doubt that a large tonnage could be made available if costs could be reduced appreciably, but it is doubtful whether even cutting the power costs from $50 to $25 would be important in increasing output.

Power Averages $33

In northwestern Quebec a large tonnage of low-grade ore is indicated at the Beattie property. Latest reports indicate that the grade is equal to that treated by the Howey Gold Mines. It is proposed that this development should ultimately be on the basis of 5,000 tons daily. If such is the case a block of 15,000 horsepower would cost $33.30 per horsepower per year, and the initial cost of $50 per horsepower per year would be no greater than that initially paid by Howey.

Another factor in power development is taxes which amount to close to $6 per horsepower, which Hydro would not contribute.

The whole power situation in Northern Ontario sums up in this: a reliable brand of service is being dispensed by private interests, which pioneered first and then expanded with the growth of mining to its own profit. That there is not room for both systems under existing conditions is obvious. It is also obvious that Canada Northern is adequately provided with power sites for future development in addition to the existing capacity of the present development. If the Hydro is to make progress in the north and find markets for the Abitibi canyon power, transmission lines and customers of the Canada Northern are essential.

The inference has been thrown out more than once that ultimately overtures may be expected from Hydro to acquire the private enterprise, but the private enterprise is not in the market as a seller, and if it were to be displaced from the field that it has pioneered, it must be done only after lengthy arbitration and due compensation. In the meantime the huge power project at Abitibi canyon is hog-tied. The Ontario government and the Hydro Commission are likely to be saddled with a $23,000,000 commitment on the one hand and to lose a 100,000 horsepower contract on the other. A further commitment to even greater expenditure will be needed if transmission lines and customers are to be found.

Elevator Capacity Bulks Large

There is a total of 5,872 grain elevators with a capacity of 414,660,260 bushels in the western and eastern divisions of Canada according to the latest calculations of the Dominion Bureau of Statistics. Of this total 5,734 are country elevators with a capacity of 192,328,000 bushels.

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RETURN TO GOLD WITHIN 2 YEARS SAYS ECONOMIST

Believe Gov't Working to This End—Factors Favorable

Belief that it is the settled policy of the government to return to gold as soon as possible but without undue haste, was expressed by Kenneth W. Taylor, associate professor of political economy of McMaster University, speaking in Toronto recently. In the absence of untoward events we may expect, therefore, a slow appreciation of the dollar to par, with the usual seasonal fluctuations, he stated, after pointing out that the factors bearing on exchange were much more favorable at the present time than at any time during the past twelve months.

Parity with gold is probably at least 18 months to two years away, he said, and is largely dependent on the price which Canada obtains for her wheat crop. If we can dispose of our wheat crop at higher prices a parity with gold will be hastened, he thought.

Statistics seem to indicate that for 1932 we shall have an improvement of about $50 millions in merchandise account and a drop of from $10 to $15 millions in other items as compared with 1931, Mr. Taylor estimated. On the whole this is a much clearer outlook than 9 months ago, he said.

Estimate Future Trend

In order to obtain an idea of the future trend of exchange rates it is necessary to estimate with reasonable accuracy the total supply and demand in the various groups into which the factors bearing on the rate can be broken up. The current rate of exchange, he pointed out, is the result of the impact of two sets of forces, the demand for foreign exchange in Canada compared with the supply and the demand for Canadian exchange abroad.

These two forces can be broken up into several parts on the basis of the source of supply or demand, e.g.:

1. Imports and exports of merchandise.
2. Receipts and payment for services.
3. Tourist revenue and expenditure.
4. Interest and amortization of long term debts.
5. Speculation.
6. Capital movements.

Merchandise Account

Prospects this year are for a favorable balance in merchandise account of about $50 to $75 millions, compared with a debit balance of about $4,000,000 in 1931, Mr. Taylor stated. He pointed out that at the end of August the value of merchandise exported was almost equal to the value of imports and the movement of the crop during the remaining months of the year will tend to create a favorable balance. Any increase in wheat prices would further increase this estimate of the balance of trade.

Lower freight payments on reduced imports will be chiefly responsible for an anticipated lower debit balance in services account, he said, a debit balance of between $20 and $25 millions compared with $30 millions in 1931 being probable.

No figures are yet available for tourist trade this year but assuming a 20 per cent decline in both tourist receipts and expenditures the credit from this account would be $140 millions compared with $175 millions in 1931.

Interest Payments

Passing of dividends and bond interest defaults will reduce the debit balance in this account compared with 1931 when the figure was $180 millions, according to Mr. Taylor, a hasty estimate placing the figure at approximately $165 millions. He placed no importance on the effect of speculation in Canadian funds, either in Canada or elsewhere, with the proviso that untoward events might cause the sale of a large amount of Canadian securities and so depress the dollar.

Capital movements play an important part in the regulation of the exchange rate. While very little new money is coming into Canada, refunding loans in New York and London have relieved the pressure on exchange for the time being, he stated. Purchasing and selling of Canadian securities abroad can often become very substantial without any information becoming available, he said, and have a marked effect on exchange rates.

COAL PRODUCTION LOWER IN AUGUST

More Than 40 Per Cent Below 5-year Average for August

Coal production during August totalled 720,478 tons a decline of 41.1 per cent from the 1927-1931 average for the month of 1,222,330 tons and a decline of 6.1 per cent from the 767,456 tons produced in August, 1931. The output of bituminous coal in August amounted to 570,101 tons, subbituminous coal, 25,146 tons, and lignite coal, 125,231 tons.

All provinces with the exception of New Brunswick recorded lower production than in the same month of 1931, British Columbia having the largest drop of 14.1 per cent. The following table gives production in August compared with August, 1931, by provinces:

Coal Production in Canada

	Aug. 1932 tons	Aug. 1931 tons	% change
N. S.	309,544	335,857	—7.8
Alta.	257,935	261,600	—1.4
B. C.	118,807	138,302	—14.1
Sask.	18,796	19,452	—3.4
N. B.	15,396	12,245	+25.8
	720,478	767,456	—6.1

Canadian imports of coal in August amounted to 1,198,210 tons, a 34.1 per cent drop from the five year average for the month of 1,818,605 tons. During the past four months Great Britain has been the principal source of Canada's anthracite supply, accounting for 59.1 per cent of the importations during the period; the United States supplied 39.9 per cent and Germany 1 per cent.

Ship B. C. Apples to Cape

Stated to be the first shipment of its kind, a refrigerator car containing 756 boxes of local McIntosh apples left Kamloops, B.C., on September 14, consigned via Montreal to Cape Town, South Africa. Shippers report that a good market for Canadian apples, especially of the smaller size, is available in the South African Dominion.

Six Main Duties For Central Bank

Fundamental Difference as Between Commercial Banks is in Matters of Monetary Policy

By A. F. W. PLUMPTRE
Lecturer in Money, Credit and Prices, University of Toronto

Should there be a "Central Bank of Canada?" This is the first of a series of articles which discuss this problem in the light of foreign experience and of Canadian conditions. The first article attempts to answer the primary problem, Why do central banks exist at all?

Most countries have central banks; and the great majority of these have been founded since 1920. In that year a conference of financiers and economists was convened by the League of Nations in Brussels to consider the chaotic condition of Europe's currency and commerce.

There were certain outstanding features of the then prevailing situation. In the first place there was general inflation with rapidly rising prices supported by credit-creation and note-printing. These inflationary measures had been forced directly upon the governments and indirectly upon the banks by the need for war and post-war expenditures. In the second place, partly as the results of inflation, there were wide fluctuations in foreign exchange rates, beside which the fluctuations of 1931-1932 are insignificant. In this maze of monetary muddles those who carried on the world's internal trade and international commerce found themselves powerless and perplexed.

Brussels Resolutions

Among its many resolutions, the Brussels Conference recommended: "It is of the utmost importance that the growth of inflation should be stopped." In order to do this "banks, and especially central banks, should be freed from political pressure and should be conducted solely on the lines of prudent finance . . . In countries where there is no central bank of issue, one should be established." And, in order to avoid further rash inflations, "It is highly desirable that the countries which have lapsed from an effective gold standard should return thereto." Attempts were made to implement these recommendations.

The central banks have served other purposes besides those which have been mentioned. After their original objectives, such as the adoption and maintenance of the gold standard, had been reached, new objectives were proposed. It was suggested, for instance, that a central bank should not only maintain the gold standard but should also attempt to regulate the money and credit situation in its country in such a manner as to eliminate or at least to mitigate the severity of industrial booms and depressions. It is impossible to discuss "What are the objects of a central bank?" without realizing at the start that these objects have themselves been changing, and will continue to change.

Duties Outlined

With this background we may now enumerate the various duties which central banks are usually expected to carry out; enquiring at the same time whether such activities are lacking in the Canadian banking system. Of course it is extremely important to remember that no two central banks are exactly alike, and to all our broad statements about central banks in general there will be many exceptions. However, most central banks have certain features and duties which distinguish them from ordinary commercial banks. These are six in number.

1. A Bankers' Bank—The prime difference between a central and a commercial bank is that a central bank deals with bankers and other financial houses, while a commercial bank deals with the general public. A central bank receives deposits from and makes loans to banks and financial houses, just as a commercial bank receives deposits from and makes loans to its individual or corporate customers. (Incidentally, a central bank not only receives but also consciously "creates" deposits as we shall see later). The Canadian government, under the Finance Act, makes loans of Dominion notes to the chartered banks. In this way it in part takes the place of a central bank which would probably make similar loans on good security and discount (or "rediscount") bills of exchange for the chartered banks. But whether the Finance Act is an adequate substitute for a central bank is too broad a problem to be discussed at this point.

Another feature of a "bankers' bank" is that the clearing house balances between the commercial banks are usually settled by cheques drawn upon their reserve balances, held in the central bank. Thus the cost of moving cash in armored cars to and fro between the banks is largely eliminated. The total volume of reserves needed by the banking system is also reduced by the concentration of cash in one central reservoir. In Canada these savings would not be very great. Therefore this argument, as favoring a Canadian central bank carries little weight.

2. The Government Bank—One of the chief customers of the central bank is usually the central government. It keeps its deposit there and also borrows directly from or indirectly through the bank in time of temporary shortage. Nevertheless, efforts, not always successful, are usually made to keep the bank independent of political pressure, at any rate in normal times. Many central banks were founded with the express object of taking monetary control out of the hands of politicians, and loans to the government are often limited in their charters. However, political interference with the credit and money system is not a problem in Canada at present.

3. International Financing Relations—Nominees of the central bank, not the government, often represent the country at conferences where expert knowledge of the country's financial situation or expert economic opinion is required. Representation from the central bankers of a country, such as England, which is of great financial importance, carry great weight. At present no one but a politician or a civil servant or a private banker can speak as representing Canadian finance. A Canadian central bank would undoubtedly have supplied expert information and advice to the Canadian delegation at the Imperial Conference and could do so at the forthcoming World Economic Conference.

4. Note Issue—The ancient royal prerogative to issue a country's money is nowadays usually looked upon in the more modern and prosaic light of a public utility, best operated as a state monopoly. A Canadian central bank would certainly take over the issue of Dominion notes. As in England, the profit upon such note issue would probably be handed back to the government. But there seems no reason why, at the same time, the chartered banks should not be allowed to continue to issue notes under strict regulations similar if not identical to those already laid down in the Bank Act.

5. Profit Making—Profit is not among the primary objects of a central bank. It is operated in the interests of the general public. Differences of opinion may arise as to what central bank actions are in the public interest: but the interests of the shareholders as such are never considered. This is possible because central banking is generally profitable and, in practice, a well run central bank's prestige is seldom undermined by financial losses.

This is because a large amount of absolutely safe business is brought to it by its customers. Central banks, in most cases, do not pay interest upon deposits; while their assets, other than their large cash holdings and their real estate, are all lucrative. What are now idle cash reserves of Dominion notes in the hands of Canadian chartered banks would become, at least in part, earning assets when deposited with and used by a central bank.

6. Monetary Management and the Control of Credit: It is the function of a central bank to use whatever powers law or custom or prestige may have given it to control the monetary and credit system of its country in the public interest. Different people may have different opinions as to what policy is best. Some may believe that the best policy is the strict maintenance of the gold standard, which means managing the monetary system in such a way as to give the currency an invariable value in terms of gold, and thus in terms of other currencies on the same standard. Most currency legislation, which is supposed to put the gold standard into effect, assumes that this object can be obtained by allowing free import and export of gold and by keeping the total amount of notes (and sometimes of credit) available in the country in some fairly fixed proportional relation to the country's gold reserves.

Other people have recently been suggesting that the Canadian dollar should be stabilized in terms of the pound sterling. In this case reserves would be kept, not in gold, but in deposits in London banks and bills of exchange payable in London. The methods employed in stabilizing our dollar in terms of sterling would be similar to the methods employed in stabilizing it in terms of gold and the American dollar. However, since the Imperial Conference, little has been heard of the possibilities of Canada joining the sterling bloc.

A large variety of alternative monetary policies have also been proposed. Some people are advocating an effort toward the stabilization of the level of commodity prices in general, e.g., by increasing the amount of money available to the public when "underconsumption" seems to be depressing prices and slowing down the wheels of the industrial system. Others, not so ambitious, talk simply of "stabilization of credit." Still others believe that, at least for some countries, monetary management will largely lie in attempting to control and consciously vary the foreign exchange rate. After the recent breakdown of the gold standard. these alternative policies have naturally been receiving a great deal of attention.

How Policies Made Effective

In subsequent articles we shall examine the tools which a central bank can use to make effective the policy which it chooses. It will appear that some of these tools are lamentably blunt, while others are more serviceable. For the present, it is only necessary to make as clear as possible the distinction between the functions of a central and a commercial bank.

Central banks do not usually compete with and, in a large measure, do not interfere with commercial banks because while commercial banks are running a banking business, the central bank is running a monetary business.

The business of banking is the acceptance from the public of deposits, upon some of which interest will be paid, and, after keeping a sufficient cash reserve on hand, the investment of the remaining money in various types of loans. The objects are to provide the maximum security for the bank's depositors, the maximum service for the bank's clients, and the maximum dividends for the bank's shareholders.

The business of running a monetary system lies in providing and putting into circulation the "right" amount of money (notes and bank credit or deposits). What is "right" will vary according to the monetary policy adopted by the authorities.

If there is no central bank, the control of the total volume of money available lies in other hands and may be used, consciously or unconsciously, for good or bad ends.

Government legislation regarding note issue, such as the Dominion Notes Act, is one form of control.

Banking vs. Monetary Policy

Another type of control is exercised, less consciously, by the commercial banks. If, from year to year, they change their opinion about matters of purely banking business, such as the amount of cash which constitutes a safe reserve against deposits, they may affect the monetary situation of the country most profoundly by restricting or expanding the volume of credit based upon a given amount of cash. An announcement to the shareholders by a Canadian bank president at an annual meeting that their bank is in a "stronger and more liquid position" than previously, may also be an announcement to the Canadian public that, quite unintentionally, a restrictive and deflationary monetary policy has been put into practice.

Giving evidence before the Canadian House of Commerce committee on Banking and Commerce in 1928, the president of the Canadian Bankers' Association said:—"The banker is primarily and mainly concerned about the safety of his advances . . . He is not thinking about the volume of credit in the country nor the effect which the granting or withholding of credit in the particular instance will have upon the price level of commodities in the country." On this basis it may be claimed that there is at present no conscious policy relating to the volume of money and credit in Canada.

From what has preceded we can see that the chief object of recently founded central banks has been to take monetary control out of the hands of governments and commercial banks and centralize it in one supreme, independent, intelligent and impartial monetary authority. Such, at least, were the rosy dreams of the founders. In some following articles in this series it will be seen that actual experiences sometimes turned out to be nightmares.

Seminole Paper Co. Secure Record Order

From Our Own Correspondent

MONTREAL—Seminole Paper Co., a division of International Paper Co., announces that it has received from Krogers Grocery and Bakery Co. an order for 38 carloads of paper, the largest single order of this type ever placed in the United States. The order is being filled at the company's plant at Marionette, Wis., and is resulting in capacity operations of the mill.

GRAIN HANDLERS CREDIT POSITION MUCH IMPROVED

Bank Loans of Five Companies Reduced by 50 Per Cent

From Our Own Correspondent

MONTREAL.—Analysis of earnings of five leading grain companies in the last crop year indicates that the industry was able to maintain its position despite the fact that volume of grain handled in the period was relatively small. All of the companies earned their interest charges; though with one exception, income showed declines from the previous year.

An outstanding feature of the five balance sheets, however, was the sharp reduction effected in bank borrowings and the improvement in working capital positions of the majority of companies. In every case bank loans were sharply reduced; indications are that they will be cut still further during the current year.

Bank Loans Sharply Off

At the end of the 1930-1931 crop year, Alberta Pacific Grain; Reliance Grain; N. Bawlf Grain; Western Grain and Federal Grain had a total bank loan of $9,587,619. At the end of last crop year this sum had been reduced to $4,899,888, a drop of $4,687,730. The reduction will stand the companies in good stead this year, strengthening their credit position in a period when a considerable line will be required to finance a period of activity.

How declines were held to comparatively low levels is illustrated by the following table. All companies end their fiscal periods on July 31 with the exception of Alberta Pacific Grain which closes its books a month earlier:

	1932	1931
Alberta Pacific	$567,940	$665,724
N. Bawlf Grain	90,672	*8,152
Federal Grain	765,192	789,399
Reliance Grain	325,783	506,114
Western Grain	265,137	340,241

*Loss.

Prospects Are Improved

Prospects for the current year are definitely improved. Unlike the majority of industrial organizations grain companies are able to get a good idea of their prospects at the start of a fiscal period, for that is when the grain is moving. Executives are looking forward to much improved handlings for the crop which has just been harvested is one of the largest to be garnered in Western Canada for several years.

SHAREHOLDERS ROBY'S PRODUCTS PROSPECTS DARK

Little Hope for Anything But Creditors' Needs is Claim

From Our Own Correspondent

MONTREAL.—Outlook for shareholders of Roby's Products, Ltd., in bankruptcy since July last, is considered discouraging. Those in touch with the situation state that it may be possible to meet demands of creditors but there is virtually no possibility of shareholders receiving anything from the estate.

The company, it is understood, had not been actively producing for a year previous to its collapse and sales had been made chiefly from stocks on hand at the Montreal plant. This unit, which has been given a nominal valuation of $85,000 by the custodian of the estate, is subject to a first mortgage and in view of conditions in the real estate market its present value is uncertain.

Stock Sold in West

Public investment interest in Roby's Products centres in $625,000 of 8 per cent preferred stock and 200,000 shares of no par value common. The preferred was fairly widely distributed, particularly in western Canada; no disbursements have been made on either class of security since the company's inception in 1927.

Prior to that time the organization was known as International Graphite Corp. Roby's Products owned patents for processes and machines for manufacturing fabric roofing but little headway was made from the time of the present company's formation.

In addition to the Montreal plant it is understood that the company maintained a small unit in Winnipeg but this is regarded as a negligible factor in viewing the realizable assets today. Following the company's bankruptcy in July 1932, it was planned to place all assets on sale by tender. A compromise was arrived at with the principal creditor and efforts will be made to liquidate the estate over a period of time.

Canadian Tobacco Exports Grow

The popularity of Canadian tobacco in the United Kingdom is steadily increasing according to a statement from the Department of Trade and Commerce. During the eight months ended with August, 1932, a total of 8,950,568 pounds of Canadian tobacco, valued at $2,545,380, was exported to Great Britain, as compared with a total of 4,917,128 pounds, valued at $1,429,892 for the corresponding period of 1931.

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The Financial World has been carrying on a careful investigation for several weeks to select 10 low priced securities with better than average prospects. This is now complete and should prove valuable to every investor despite temporary reactions. We anticipate this list to do as well as our bargain lists of June and July. Securities have been selected because of the companies' sound financial condition and for their prospects of business betterment. If you attach $1 to this "ad" for the next 8 issues of *The Financial World*, you will receive the above valuable selection of securities—also a copy of "25 Probable Leaders Of The Next Bull Market" and "Sound Investment Rules." Return this "ad" today with $1 and your address.

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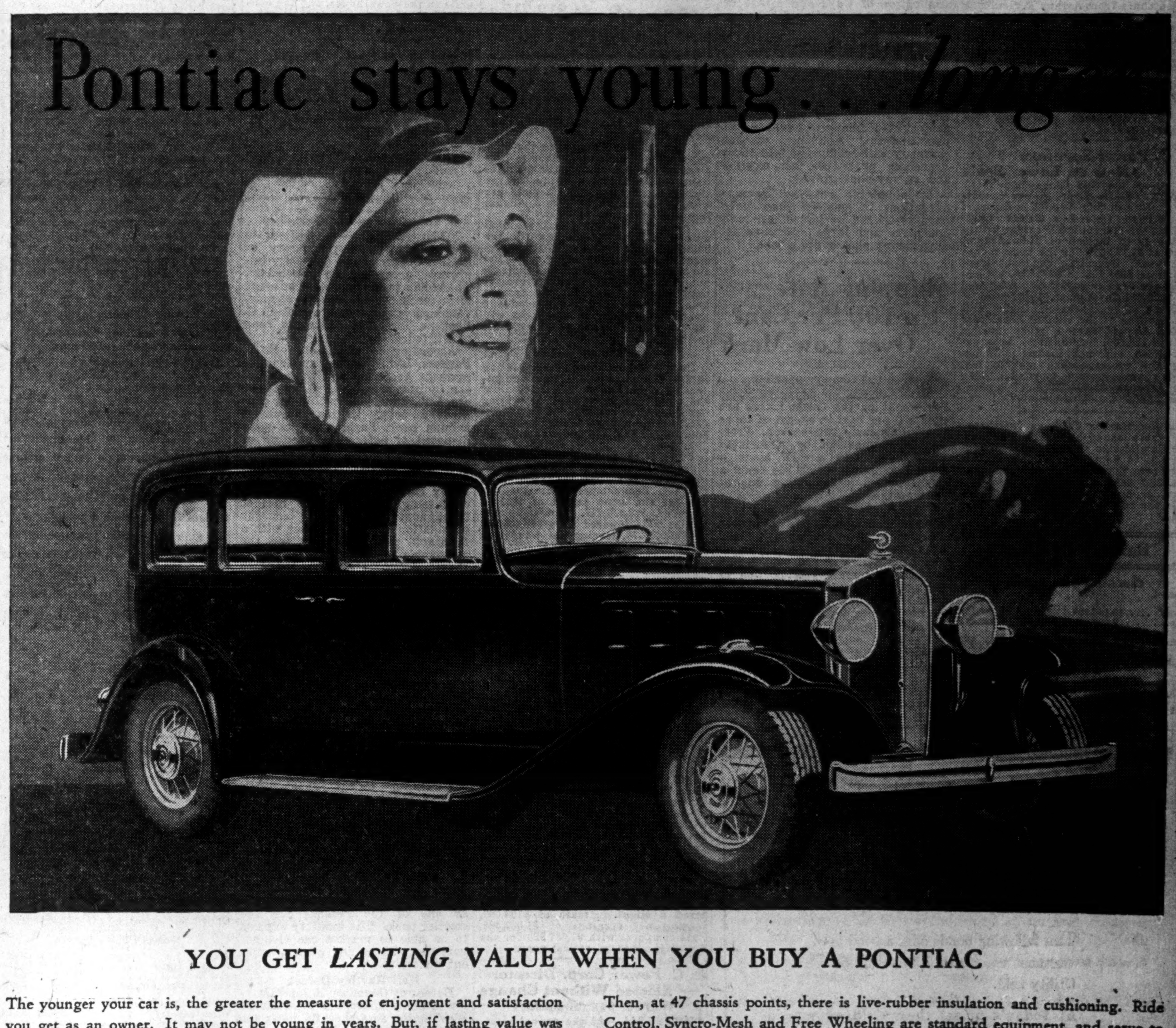

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PRODUCED IN CANADA

NEW PONTIAC 6

Utilities and Transportation

OTTAWA VALLEY POWER PROJECT NOW COMPLETED

Final Units Installed Under Terms of Contract

From Our Own Correspondent

MONTREAL.—Installation of remaining units at the plant of Ottawa Valley Power Co. has been completed and the company is now in a position to deliver 96,000 horsepower under the terms of its contract with the Hydro-Electric Commission of Ontario. The final units were in place well before the required date and it is understood that the turbines have been turning over for some time, allowing the maintenance work to be carried out on units previously installed.

With completion of the joint development undertaken by the Ontario Hydro and Ottawa Valley Power at Chats Falls, there are now installed 8 generators with an installed capacity of 224,000 horsepower. Ottawa Valley started initial delivery of 48,000 horsepower in October, 1931; its contract calls for the supply of 96,000 horsepower.

Develops Earning Power

Investment interest in the enterprise is confined to an issue of $9,000,000, 5½ per cent, first mortgage bonds which were sold in 1930 to yield 5.80 per cent. At that time earnings were estimated on the basis of 96,000 horsepower delivery at $1,017,000 before depreciation or taxes. That income, however, did not include any revenue from sale of surplus power.

Control of Ottawa Valley Power Co. passed to Calgary Power Co. in July this year through acquisition of a block of its securities by the western utility.

C. P. R. Appoints Body to Study Duff Report

From Our Own Correspondent

MONTREAL.—A special committee of the board of directors of Canadian Pacific Railway has been appointed to consider the report of the Royal Commission on transportation, of which a summary was recently issued, according to a statement made by E. W. Beatty, chairman and president of the road. The committee will discuss the report when the full text is published; until this has been done no statement of the company's position will be made.

Canadian Pacific Railway has completed its acquisition of the Aroostock Valley Railroad by purchasing 2,000 shares of the road's capital stock at $215 a share from Arthur R. Gould. A previous agreement between the parties for the transaction to take place at $267.87 a share was not fulfilled when the Interstate Commerce Commission ruled that the price was too high.

The commission laid down that not more than $215 a share should be paid for the stock. Efforts to have this ruling reconsidered have now been discontinued.

B. C. Power Earnings Now on Lower Scale

From Our Own Correspondent

MONTREAL.—Drop in net operating income during August is reported by British Columbia Power Corp. During the month, the Western utility had a gross income of $1,047,553, as against $1,192,372 for the same month last year. Operating expenses were cut from $838,113 to $773,876, but net earnings were only $273,677, compared to $354,259 in August, 1931.

Cumulative returns for the first two months of the current fiscal year ended August, show a gross revenue of $2,113,509, operating expenses $1,540,043 and net income $573,446. For the corresponding months last year gross earnings totalled $2,387,804, expenses $1,704,710 and net earnings $683,094.

Halifax Harbor Tonnage Increases

Figures issued by the Halifax Harbor Commission states that from January 1, to September 9, inward tonnage over the Commission's piers was 214,938.7 tons and outward, 245,258.0 tons, or an increase of 7,584.0 tons over the corresponding period of last year.

Railway Earnings

Canadian Pacific Railway

August	1932 $	1931 $	Decr. $
Gross	10,166,228	11,607,386	1,441,157
Exp.	9,469,022	10,454,665	985,642
Net	697,206	1,152,721	455,514
Eight Mos.	**1932 $**	**1931 $**	**Decr. $**
Gross	77,880,871	96,101,118	18,220,247
Exp.	71,072,078	86,408,806	15,336,729
Net	6,808,793	9,692,312	2,883,518

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Beauharnois Co. Free Stock Now Due

From Our Own Correspondent

MONTREAL.—Holders of Beauharnois Power Corp. bonds became entitled on October 1 last to receive as a bonus 5 shares of Class "A" no par value common stock for each $1,000 bond held. 150,000 shares are involved in this transaction, but they do not add to the number of outstanding shares of this class which now total 1,799,995 shares.

At the same time the bondholders can exercise up to October 1, 1937 the right to purchase at $35 a share 20 fully paid class "B" common shares for each $1,000 bond. Inasmuch as the "A" stock is now traded in marketwise at 1⅞, it is unlikely that the B shares will be issued for some time to come.

CAN. AIRWAYS STARTS CAMPAIGN FOR MORE TRAFFIC

Reorganization in Eastern Lines Feature of New Plans

From Our Own Correspondent

MONTREAL.—Reorganization of the eastern lines of Canadian Airways is being undertaken as part of campaign to increase traffic. James A. Richardson, former general manager of the company, has resigned to give more of his time to the grain business and his place in Canadian Airways has been taken by W. C. Sigerson, formerly comptroller.

Assistant general manager of the eastern lines, L. J. Dalton, has resigned and has been replaced by F. T. Jenkins, formerly sales manager of the survey photographic department. Capt. K. F. Saunders, chief pilot and M. W. Gallop former assistant to Mr. Dalton, have also resigned.

In transferring his duties as acting general manager to Mr. Sigerson, Mr. Richardson stated that his grain interests were daily demanding more of his attention. Further, the airways were passing through a period of stress calling for close application of ways and means of effecting economies and developing new markets.

Seek Additional Traffic

With reference to operations of eastern lines the objectives under the proposed plan are: Intensive traffic promotion and selling; efficient operation and maintenance, perfect co-ordination of selling and performance. Activities of the company will be divided into three branches; passenger, air express and survey-photography.

It is pointed out that present operations of eastern lines have been restricted by loss of air mail contracts and large annual-recurring survey photographic jobs.

Shipping Rate Up 100 Per Cent Over Low Mark

From Our Own Correspondent

MONTREAL. — Shipping rates for wheat on the Great Lakes are now 100 per cent in excess of those prevailing early this season. Present tariffs, as set by Associated Lake Freighters are 7 cents a bushel comparing with 3½ cents a bushel when price-cutting was at its worst.

The increase in rates has been a partial factor in the improved situation surrounding Canada Steamship Lines. Grain movement has been active in the past month or two; a considerable portion of the company's tonnage is actively engaged in the grain trade, and higher rates tend to accentuate benefits of a busy season.

Tangible evidence of the improvement in the shipping company's revenue was seen in payment of interest due October 1 on $17,666,000 of first and general mortgage bonds. Current bank loans have been liquidated.

NO CHANGE MADE IN 'PHONE RATES FOR FOUR YEARS

Government Index Shows Stability in Period Since 1927

From Our Own Correspondent

MONTREAL.—Stability of telephone rates since 1927 is a feature of a review of telephone charges in 74 Canadian cities issued by the Dominion Bureau of Statistics. Index numbers of domestic telephone charges have shown no change between 1927 and 1931 although there was a marked advance between 1926 and 1927.

A Dominion index in 1931 was 7.2 per cent higher than in 1926 and 28.8 per cent above the level of 1913. Provincial indexes, with the exception of Ontario and Quebec, have remained unchanged since 1926. The Ontario index over that period advanced 10.1 per cent and that for Quebec 10.9 per cent.

Low Rates in B. C.

British Columbia had the lowest monthly rates in effect last year, based upon typical telephone service supplied to domestic users in the various cities. Average monthly rates in British Columbia in 1931 were $2.17; Nova Scotia, $2.43; New Brunswick, $2.75; Quebec, $2.67; Ontario, $2.56; Manitoba, $3.12; Saskatchewan, $2.56; Alberta, $2.81 and Prince Edward Island, $2.25.

Index of business telephone charges also has been very stable since 1927. A 1931 index for the Dominion was 18.4 per cent higher than in 1926 and 46.8 per cent in advance for the 1913 level. Since 1926 provincial indexes have remained stationary with the same exceptions as noted for domestic telephones.

Corresponding average monthly rates for business desk telephones in 1931 were: Prince Edward Island, $3.67; Nova Scotia, $5.81; New Brunswick, $5.39; Quebec, $6.47; Ontario, $6.01; Manitoba, $6.69; Saskatchewan, $3.96; Alberta, $5.63 and British Columbia, $6.75.

CANADIAN PACIFIC HAS MUCH TO GAIN REACH 1931 PROFIT

Need Net Operating Income of $4,812,717 Monthly

From Our Own Correspondent

MONTREAL.—In order to reach last year's net operating income, the Canadian Pacific will have to report a net revenue of $4,812,717 in each of the remaining four months of 1932.

A marked improvement in the railway traffic situation will have to take place in order to permit the management to make this showing, as the average net operating income per month between January and August this year was only $851,099.

There will be the usual seasonal upturn in freight loadings for the balance of the year due to the movement of the Western wheat crop. Reports from that area of late indicate a heavy movement of grain; greater than reported last fall. The Eastern area, however, is still backward and the drop in traffic in that area will tend to minimize the gains reported in the West.

August Returns Low

During August last gross operating income amounted to $10,166,228, representing a decline of $1,141,157 from the same month last year. Operating expenses were cut $985,642 to $9,469,022, leaving net operating income at $697,206, or $455,514 under the August 1931 figures.

Cumulative returns for the first eight months of 1932 show an aggregate gross operating income of $77,880, 871. This compares with $96,101,118 for the same period of 1931, a drop of $18,220,247. Operating expenses were lowered from $86,408,806 to $71,072,078, leaving net returns at $6,808,793, as against $9,692,312.

During all of last year the Canadian Pacific reported a net operating income of $26,059,660. At the end of August the company was $2,883,518 behind the net reported at the same time in 1931. To reach the total net operating income shown for 1931, it will be necessary to secure $19,250,867 of net operating income in the last four months of the current year.

Canada Northern Power Earnings Are Holding Up

From Our Own Correspondent

MONTREAL.—Financial returns of Canada Northern Power Corp., a subsidiary of Power Corp. of Canada, were practically the same in August, 1932, as in the corresponding month last year. There was a gain of about $500 in gross income to $277,106, while operating expenses were up nearly $1,100, leaving net earnings of $187,324, as against $187,931 in August, 1931.

For the eight months ended August, 1932, Canada Northern had a gross operating income of $2,258,435, up from $2,193,344 for the same period a year ago. Operating expenses registered a slight increase at $708,007, leaving net earnings of $1,550,428. This compares with $1,487,820 for the first eight months of last year.

B. C. Power Corp. Directors Elected Without Change

From Our Own Correspondent

MONTREAL.—At the annual meeting of British Columbia Power Corp., the retiring board of directors was re-elected to serve for the coming year.

At a meeting of the board of directors after the shareholders meeting, the following officers were elected: W. G. Murrin, president; A. T. Goward, and J. I. Newell, vice-president; E. H. Adams, vice-president and treasurer; Ernest Rogers, secretary.

Abitibi Shares Still Traded on Montreal Stock Mart

From Our Own Correspondent

MONTREAL. — Though common shares of Abitibi Power and Paper Co. have been removed from trading on the New York Stock Exchange, the Montreal Stock Exchange will maintain a free market for the stock company's securities as long as a transfer office for the stocks remains open in Montreal, according to a ruling of the exchange governing committee.

Montreal Trust Co. are transferring the securities of the company. Some change may be effected in this connection as the company is now under the Winding-Up Act by order of a Toronto court.

ONTARIO HYDRO FAILS TO TAKE QUEBEC POWER

Beauharnois Power Meets Obligations Called For in Contracts

From Our Own Correspondent

MONTREAL.—Beauharnois Light, Heat and Power Co., subsidiary of Beauharnois Power Corp., met its obligations on October 1 in respect to delivery of power under contract to the Ontario Hydro Electric Power Commission and Montreal Light, Heat and Power Co.

Initial block of 25,000 h.p. has been delivered to Montreal Power, but owing to the fact that the Ontario Hydro Electric Commission transmission lines connecting with those of Beauharnois are not ready, the Commission was not in a position to take delivery at present. This does not affect the agreement, inasmuch as Beauharnois completed its obligations under the contract.

Issue Official Statement

Following is an official statement issued by the Beauharnois Light, Heat and Power Co. in connection with its initial delivery of power:

"The first stage in the giant 500,000 horsepower hydro electric power development, undertaken by the Beauharnois Light, Heat and Power Company at Beauharnois, a distance of about 25 miles from Montreal, has been successfully completed, and the delivery of power to meet contracts which came into effect on Oct. 1 has commenced on schedule.

"This hydro electric development has necessitated the construction of a canal 15¼ miles in length, between Lake St. Francis and Lake St. Louis on the south side of the St. Lawrence River, to take advantage of the 82 feet difference in level between the two lakes, which involved the excavation of over 35,000,000 cubic yards of materials of various kinds.

"It has been necessary to divert three lines of railway and construct four large bridges as well as over 25 miles of highway.

Four Units Installed

"At the lower end of the canal on the shore of Lake St. Louis, between Beauharnois and Melocheville, there has been constructed a modern powerhouse over 1,100 feet in length, in which there have been installed to date four large 50,000 horsepower units with complete connections of all kinds and two small service units of 8,000 horsepower capacity each. The powerhouse is so designed that additional units up to a capacity of 500,000 horsepower can be readily added as the contracts for the delivery of power demand.

"Operations to meet progressive contract requirements for the delivery of power will consist of excavation in the canal, the addition of electric units in the powerhouse, and the construction of remedial and control works in the St. Lawrence River."

SAY B. C. PACKERS WILL SELL EASILY THIS YEAR'S PACK

Pack Larger Than Last Year But Only Half of 1930's

From Our Own Correspondent

VANCOUVER. — Conditions in the salmon packing industry of British Columbia are distinctly improved, according to operators. There has been a general advance in prices in several important markets, and indications are that B. C. Packers, Ltd., has definitely been benefitted.

According to officials of B. C. Packers, Ltd., the company has its markets protected until next season by advance sales. B. C. Packers, Ltd., handles about 50 per cent of the total British Columbia salmon pack. Surplus stocks were disposed of before the opening of the present season, and marketing arrangements have been completed for the 1932 pack. Last year the heavy carryover from 1930 was a depressing factor in the market throughout the season, but the elimination of this, together with a favorable pack this year and the company's programme of economy, should result in a much healthier condition.

Pack Half of 1930

Canned salmon in British Columbia so far this year totals 949,211 cases, compared with 646,015 for the corresponding period last year, according to government reports. Sockeye comprise the largest portion of the pack, with 271,761 cases. The year's total so far is slightly more than half that of 1930, the record year, when 1,862,258 cases were packed in the corresponding period.

The run of sockeye in the north is now over, but the packing plants are still busy on the Fraser River. It was found unnecessary to restrict the pack of pinks in order to avoid repetition of last year's oversupply. The pack of pinks is expected to just about meet the demand. The fact that streams were low in 1930 and fish may not have been able to reach the spawning grounds in large numbers is given as one of the reasons for the smaller pack. The industry expects to be able to market the cheaper varieties, cohoes and chums, without difficulty.

Hail Hartley Defeat

Defeat of Governor Roland Hartley in the primaries in the state of Washington was cheerful news for the fishing industry here, as he was the chief obstacle to passage in the United States of the international sockeye salmon treaty which was aimed at the conservation of Fraser River fisheries. With Hartley out of the way, it may be possible to have this measure ratified by the United States senate. Under present conditions American fishermen operating in American territorial waters off the Fraser River are not restricted at all in their catch of salmon entering the river from the ocean. They have been responsible for most of the depletion in that section. Under conservation measures experts believe the Fraser will be able to yield salmon valued at $30,000,000 annually.

New Elevators in Alberta

Thirty-two grain elevators at railway points throughout the Province of Alberta have been constructed during the past summer at a cost close to $400,000, it is reported. Varying in capacity from 30,000 to 60,000 bushels, the elevators were mostly of the 30,000 to 40,000 bushel type.

Bathurst Power & Paper Maintains Liquid Position

From Our Own Correspondent

MONTREAL. — Current operations of the Bathurst Power and Paper Co. are on a limited basis, production amounting to only a few tons a day. Operations are continued largely in order to hold present business connections, such as supplying publishers in the Maritime Provinces and catering to a small export demand.

One of the principal outlets for the company's products was eliminated lately through the suspension of publication by the New York Graphic. At present contracts call for delivery of about 500 tons of newsprint a month to the United States, but not all of this amount is being taken owing to the smaller needs of the publishers.

The woodpile is being steadily converted into paper and the net income from sales is being invested by the management in high grade investment securities. The balance sheet just now shows an investment of between $700,000 and $800,000 in government securities. Cash liquid assets are substantially in excess of current liabilities and the company has no bank loans.

At the end of last year Bathurst reported current liabilities of $96,234 and current assets of $2,199,719. The latter consisted of cash to the extent of about $60,000; government securities to the value of around $600,000; accounts receivable $137,599 and inventories $1,308,181.

GOODYEAR TIRE MAKES DIVIDEND IN NINE MONTHS

Strengthening of Commodity Prices Would Aid Company

Goodyear Tire & Rubber Co. of Canada, Ltd., has earned dividends on both the preferred and common stock up to the close of the company's third quarter after providing for the usual reserves for depreciation and accrued income tax, according to a letter forwarded to shareholders of the company by C. H. Carlisle, president and general manager. Profits for the year's business will be affected by the price of crude materials as at December 31. As in the past, inventories will be taken at market for costs, whichever is the lower, but it is not anticipated that a material shrinkage if any will be shown in the inventory.

It is stated that a normal advance in cotton and rubber markets would put the company in a strong competitive position and would likely show a material increase in earning power. The company has made heavy purchases in both cotton and rubber at the low level of the market. The rubber industry continues to show a decrease of 30 per cent in unit sales as compared with the correspondinng period in 1931 and material improvement in the industry during the last quarter of the year is not anticipated. Hopes are expressed that Canada in 1933 will show an improved position as compared with 1932 based on the harvesting of an excellent crop, an increase in gold production and the possibility of increased business activity as a result of the Imperial Conference.

General conditions throughout the world are expected to show improvement but it will take considerable time to bring about stability of governments, stabilization of exchange and more equitable regulations governing trade. Export business very largely depends upon the revival of general business, but business in the tire industry should show a marked improvement as many people are taking the last mile out of their tires due to the number of spare tires carried and they are purchasing low priced tires which necessarily give low mileage. It is stated that the company is economizing wherever possible and it is maintaining its full share of available trade.

Public Utility Earnings

MEXICO TRAMWAYS GROUP OF COMPANIES

Mexico Tramways & Subsidiaries

August	1932 Pesos	1931 Pesos	Increase Pesos
Grs. Earn.	719,490	802,460	† 82,970
Op. & Depr. Exp.	1,000,110	864,280	135,830
Net Earn.	* 280,620	* 61,820	†218,800
Ag. Grs. fr. Jan. 1	5,314,200	6,206,430	†812,230
Ag. Net fr. Jan. 1	*1,640,660	* 643,970	†996,690

Mexican Light & Power & Subsidiaries

Grs. Earn	2,255,720	1,898,190	357,530
Op. & Depr. Exp.	1,390,200	1,188,210	201,990
Net Earn.	865,520	709,980	155,540
Ag. Grs. fr. Jan. 1	17,142,950	15,914,415	1,228,535
Ag. Net fr. Jan. 1	6,268,980	6,887,070	†618,090

*Deficit.
†Decrease

Canada Northern Power

August	1932	1931
Gross earnings	$ 277,106	$ 276,602
Operating exp.	89,782	88,671
Net earnings	$ 187,324	$ 187,931
Eight Mos. End. Aug.	**1932**	**1931**
Gross earnings	$2,258,435	$2,193,344
Operating exp.	708,007	705,524
Net earnings	$1,550,428	$1,487,820

B. C. Power Corp.

August	1932	1931
Gross earnings	$1,047,553	$1,192,372
Operating exp.	773,876	838,113
Net earnings	$ 273,677	$ 354,259
Two Mos. End. August	**1932**	**1931**
Gross earnings	$2,113,509	$2,387,804
Operating exp.	1,540,043	1,704,710
Net earnings	$ 573,446	$ 683,094

Jamaica Public Service

August	1932	1931
Gross Earnings	$ 61,784	$ 65,959
Net Earnings	25,316	26,294
Surplus after Charges	16,006	16,889
12 Mos. End. Aug. 31	**1932**	**1931**
Gross Earnings	$793,997	$838,146
Net Earnings	315,342	347,411
Surplus after Charges	207,086	234,334

Brazilian Traction

August	1932	1931	Decr.
Grs. Earn.	$ 2,330,367	$ 2,817,714	$ 487,347
Op. Exp.	1,024,378	1,102,328	77,950
Net Earn.	1,305,989	1,715,386	409,397
Aggre. Gr. fr. Jan. 1	$20,449,266	$24,660,072	$4,210,806
Aggre. Net fr. Jan. 1	11,847,726	14,909,759	3,062,033

Barcelona Traction

August	1932 Pesetas	1931 Pesetas	Incr. Pesetas
Grs. Earn.	8,302,902	8,180,615	122,287
Op. Exp.	2,976,348	2,894,295	82,053
Net Earn.	5,326,554	5,286,320	40,234
Aggre. Gross fr. Jan. 1	72,855,971	71,246,774	1,609,197
Aggre. Net fr. Jan. 1	48,534,172	46,839,220	1,694,952

UNTREATED EASTERN CEDAR POLES

25 ft. to 50 ft.

ALFRED E. COWLING

Scotstown Que.

NOTE CIRCULATION DOWN IN AUGUST

Drop in Advances Under Finance is Responsible

Total Dominion note issue as at Aug. 31, 1932, amounted to $154,160,146, a decrease of slightly over $12,000,000 from the end of the previous month, according to the "Circulation and Specie" report issued by the Department of Finance. The August total is made up of $26,000,000 issued under the Dominion Notes Act of 1915 against specific railroad and government securities; $29,000,000 advances under the Finance Act; and $99,160,146 issued under the Dominion Notes Act, 1927, against which gold is required to be held as follows: 25 per cent of the first $50,000,000 and thereafter dollar for dollar.

Legal tender notes of denominations of $1,000 and up, used by banks in settlements, make up the bulk of the total circulation, the amount at the end of August being $105,961,000. Circulation of dollar bills amounted to $19,182,267 and there were 6,775,589 $2 bills in circulation.

The greatest change from the previous month is a decrease in the amount of notes borrowed by the banks under the Finance Act of $9,500,000 and a decrease of about $2,500,000 in the amount of other notes in circulation. Gold holdings at Aug. 31 were:

Gold Held by Minister of Finance at Aug. 31, 1932

Against savings bank deps. 10% of $23,473,542	$ 2,347,354
Against notes under Dom. Notes Act	61,660,147
Excess of statutory requirements	4,526,012
	$68,533,523

August Newsprint Exports Gain

Newsprint exports during August had a value of $7,251,752, which compares with $6,289,600 in July and $8,416,977 in August of last year. The total of all paper exports was $7,545,883, comparing with $6,515,107 in July and $8,683,177 in August of 1931.

October Investments

Our October Bond List and Review offers a wide range of Canadian government and high-grade municipal bonds. It also reviews the Canadian bond market of the past year and presents a chart showing yields obtainable from long term Province of Ontario bonds from 1912 to date.

Copy of October Bond List and Review gladly furnished on request.

Wood, Gundy & Company Limited

Toronto Montreal Winnipeg
Vancouver New York London, Eng.

Discover More Tar Sands

A discovery of tar sands in northern Saskatchewan has been announced by Major John Barnett, Deputy Minister of Natural Resources for the province, and tests, it is stated, will be conducted next year to determine whether the find is of commercial value or not. The deposit is located several hundred miles north of North Battleford.

Family partnership in banking

A very real service is offered by joint account privileges. Two people may cheque and deposit through one account, and this makes a very convenient family banking arrangement.

Any Branch of the Bank will be glad to open joint accounts and explain details.

410

IMPERIAL BANK OF CANADA

HEAD OFFICE · TORONTO

Capital and Reserve $15,000,000

FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager

230 BRANCHES THROUGHOUT CANADA

BRITISH COLUMBIA POWER CORPORATION LIMITED and Subsidiaries

President: W. G. Murrin

Vice-Presidents:

A. T. Goward E. H. Adams J. I. Newell

DIRECTORS

Hon. Sir F. S. Barnard, K.C.M.G. C. E. Calder John Davidson
S. Godin, Jr. A. T. Goward J. H. Gundy Andrew P. Holt
Sir Herbert Holt George Kidd W. G. Murrin A. J. Nesbitt
Rt. Hon. Viscount Rothermere P. A. Thomson W. G. Blake Wilson
J. B. Woodyatt

Secretary: E. Rogers. *Treasurer:* E. H. Adams

CONSOLIDATED BALANCE SHEET

as at June 30th, 1932

ASSETS

Current and Working Assets:		
Cash at Bank and at Call	$2,316,416.4[illegible]	
Accounts Receivable	1,538,295.80	
Insurance Unexpired and Prepaid Items	157,466.50	
Employees' Housing Loans, Mortgages, etc.	588,697.75	
Stores, Materials and Supplies	1,891,330.79	
	$6,492,207.32	
Investments at Book Value (market value at June 30, 1932, $954,484.70)	1,469,196.98	
		$7,961,404.30
Sinking Fund—Vancouver Power Co. Ltd. 4½% Debentures: Cash and Securities in hands of Trustees		361,326.38
Bond Discount—Balance		343,448.00
Property Account: Balance as at June 30, 1931, and additions during year		136,562,072.42
		$145,228,251.10

LIABILITIES

Current and Accrued Liabilities:		
Accounts Payable, including reserve for Income Taxes	$2,269,144.82	
Debenture and Bond Interest accrued	507,743.03	
Dividends declared, since paid	749,600.00	
		$ 3,526,487.85
Bonded Debt (as per statement attached)		39,004,716.26
Capital Stocks of Subsidiary Companies held by Public:		
British Columbia Electric Railway Co. Ltd.—5% Cumulative Perpetual Preference Stock	$6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.—6% Cumulative Preference Shares	5,000,000.00	
Minority Shareholders of Subsidiary Companies	3,446.25	
		11,987,446.25
Reserves:		
Depreciation and Renewals	$22,421,200.29	
General and Accident	1,450,522.94	
		23,871,723.23
Capital Stock and Surpluses		66,837,877.51
Represented by—1,000,000 Class A Shares and 1,000,000 Class B Shares, part of an authorized issue of 1,500,000 Class A Shares and 1,500,000 Class B Shares, both classes without nominal or par value.		
		$145,228,251.10

Approved on behalf of the Board: W. G. MURRIN, Director. F. S. BARNARD, Director.

AUDITORS' CERTIFICATE

Audited and approved in accordance with our report dated August 18, 1932.

PRICE, WATERHOUSE & CO., Chartered Accountants.

CAPITAL STOCK AND CONSOLIDATED SURPLUS AND PROFIT AND LOSS ACCOUNT

as at June 30th, 1932

Capital Stock and Surpluses: Balance as at June 30, 1931			$65,365,764.59
Profit and Loss Account: Balance as at June 30, 1931		$1,462,773.55	
Year Ended June 30, 1932— Gross Revenue	$14,356,841.50		
Less—Operating expenses, including Municipal Taxes	$7,287,332.73		
Provision for Depreciation and Renewals	1,869,804.50		
Provision for Income Taxes	679,865.61		
	9,837,002.84		
Net Revenue	$4,519,838.66		
Deduct—Interest on Bonded Debt, proportion of Bond Discount written off and Dividends on Preference Stocks of Subsidiary Companies	2,510,499.29		
		2,009,339.37	
		$3,472,112.92	
Deduct—Dividends on Class A Shares for the year ended June 30, 1932		2,000,000.00	
			1,472,112.92
Balance carried forward			$66,837,877.51

News of Investment Markets

MUNICIPAL BONDS IN GOOD DEMAND; PRICES HIGHER

Improved Market Brings Many Bids For New Bond Issues

SELL NEAR 5 P.C.

Additional Issue of Saskatchewan Sells More Slowly; Nova Scotia Notes Go Well

For the first time in over a year keen bidding is in evidence on new municipal issues and with continued strength in bond prices Ontario municipalities are taking full advantage of prevailing prices which are now at a level that has not been experienced since September, 1931, just prior to the severe decline in bond prices following Great Britain's going off the gold standard.

Each of the municipalities that have offered bonds in the past week or two, has secured a large number of bids but there has been a marked discrepancy as high as three points, between the high and low tenders. The County of York 5's due in 20 installments, sold on a cost basis at 5.03 per cent and brought out 13 bids with a high bid of 99.777 and a low bid of 96.81.

The Montreal Roman Catholic School Commission issue of $700,000 5's due 1961 sold on a 5.02 cost basis and bids were received from nine syndicates. The difference between the high and low bid was 2.109. The Town of Midland calling twice for tenders sold an issue of $55,000 6's due in 20 installments on the cost basis of 5.31 per cent and received 12 bids which ranged from a high of 105.88 to a low of 103.42. Early in September the County of Halton sold $58,000 5½'s on a 5.44 cost basis which gives some indication of the improved market for municipals, since Halton is generally well considered, while on September 20, the County of Middlesex sold $62,000 of 5½'s on a cost basis of 5.18 per cent. The better municipal issues are now being purchased by dealers at around 5 per cent and with any improvement in demand may well go down to 4.90 in the next week or so.

Spreads Narrower

The October investment letter issued by Dominion Securities, points out that high grade bonds are still selling at considerably below the prices which would obtain in general market prices, and the panic situation which existed a few months ago carried the highest grade bonds such as Dominion of Canada out of line with other high grade securities, so that at the present time an abnormal yield differential exists between these classes of security. "It seems certain," the bulletin continues, "that with continued progress toward normalcy these spreads will narrow in favor of such bonds as Western provincials and obligations of various municipalities throughout Canada." A chart is presented showing the spread between yields of representative bonds of the Dominion of Canada and certain of its provinces and municipalities at the present time, in July, 1932, and in March, 1932. The chart reveals that already the spread between certain municipals and Western provincial bonds and Dominion of Canada bonds has begun to narrow yet these yields today are regarded as being still far out of line with those prevailing in normal markets.

Following the successful offering of $2,500,000 of Saskatchewan 5½'s due 1952 on September 28, an additional $2,000,000 was taken on by the syndicate and offered at the same price to yield 5.8 per cent. The additional offering has sold more slowly. Nova Scotia has sold $2,010,000 of two year 4½ per cent debentures due October 15, 1934, at a cost to the province of 4¾ per cent. The price paid to the province was 99½ and the successful syndicate included the Bank of Montreal, Royal Securities Corp., Hanson Bros., McTaggart, Hannaford, Birks & Gordon Ltd., and Harrison & Co. Other tenders for this issue were 99.39 and 99.47. The debentures were sold at 100.19 and interest to yield 4.40 per cent and were readily taken up by banks due to the demand for short term obligations. Other provincial financing is a possibility and more municipalities will undoubtedly attempt to secure loans before the Dominion of Canada enters the market later in the fall. Rapid over-subscription of the $60,000,000 of Dominion of Canada one-year gold notes due 1933, October 1, which were offered in New York on September 27, does not necessarily indicate that the Dominion can secure long term financing in New York since the demand in that market is largely for short term obligations at the present time.

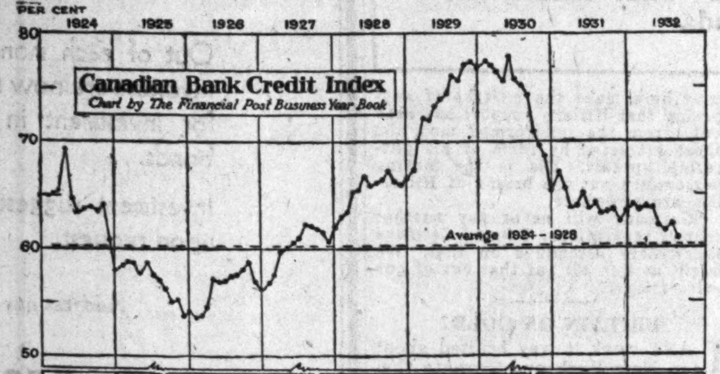
New England Power Arranges New Financing

From Our Own Correspondent

MONTREAL.—Sale of $18,000,000 Connecticut River Power bonds will enable that company to repay to New England Power Association its advances for major construction, and will provide the funds to pay off the $20,000,000 New England Power Association notes due December 1. In the same system, local provision for $7,500,000 notes of North Boston Lighting due December 1 is anticipated.

After these matters are taken care of International Hydro-Electric System will have no important maturities to meet until the year 1941, when $19,000,000 of securities, principally Gatineau Power bonds, fall due.

Lowest in Five Years



Dropping to 60.7 in August from 62.4 in the previous month, the credit index of Canadian chartered banks compiled by The Financial Post, reached the lowest point since December, 1927. This credit index represents the percentage of Canadian demand and call loans to demand and savings deposits in Canada.

Financing in September Showed Increased Activity

Dominion, Provincial and Eastern Municipal Bond Sales Exceed Previous Years But Domestic Placement is Smaller

While new government and municipal financing in September failed to break any records for the month only the western municipalities were not represented and the strength in the market brought out a number of Ontario and Quebec municipal issues. The high-lights for the month were the Federal financing in New York to the extent of $60,000,000 and the provincial issues offered in the domestic market. Of the total of $70,379,157 of new financing, $10,379,157 was placed in Canada. Financing in September, 1931, was confined to the first three weeks as Great Britain went off the gold standard on September 21 and thereafter security prices fell off sharply and practically no market existed for many weeks.

September financing by Canadian governments and municipalities, as compiled by Wood, Gundy & Co., for the past three years shows September, 1932, financing above the level for the past two years in total but domestic placement fell well below that of previous years. The market in September, 1930, was quite strong and to some extent is comparable with September, 1932. Financing in September, in the years, 1930-1932, was as follows:

COMPARATIVE STATEMENT OF GOVERNMENT AND MUNICIPAL FINANCING

September	1930	1931	1932
Dom. & Dom. Gtd.	....	$50,000,000	$60,000,000
Prov. & Prov. Gtd.	$15,282,000	....	8,350,000
Ontario Municipal	4,284,307	125,000	849,157
Que. & Marit. Municipal	3,449,500	1,010,800	1,180,000
Western Municipal	4,553,767	....	....
	$27,569,574	$51,135,800	$70,379,157
Sold in Canada	$21,144,574	$31,135,800	$10,379,157
Sold in U. S. A.	6,400,000	20,000,000	60,000,000
Sold in England	25,000	....	....

CANADIAN GOVERNMENT AND MUNICIPAL FINANCING

To September 30	1930	1931	1932
Dom. Govt. Direct & Gtd.	$78,600,000	$759,816,500*	$60,000,000
Provincial Dir. & Gtd.	101,718,000	130,416,205	115,740,336
Ontario Municipal	49,125,257	33,342,151	30,209,277
Quebec & Mar. Municipal	26,626,700	43,259,000	54,686,387
Western Municipal	23,816,713	11,413,863	4,084,066
Sold in Canada	130,122,570	224,634,719	186,891,733
Sold in United States	142,944,100	111,579,000	64,250,000
Sold in England	6,820,000	2,217,000	13,578,333
Conversion Loan	....	639,816,500	....
Total	$279,886,670	$978,247,219	$264,720,066

*Includes $639,816,500 Conversion Loan.

Thrift Stores Apply for Listing of Shares

From Our Own Correspondent

MONTREAL—Application has been made to the Montreal Stock Exchange by Thrift Stores Ltd., to list its common shares of no par value and its first preferred stock. The company operates a chain of 69 grocery stores in and about Montreal.

There already exists a street market for the shares. The over-the-counter market has been fairly active, due to the steady growth reported in gross and net profits which the company has experienced since its formation in 1929.

It is understood that gross and net profits for the first quarter of the current fiscal year ended June 30 have shown a satisfactory increase over the corresponding months of 1931.

F. S. Campbell, of Montreal, has been elected a director of the company. He is also a director of Howard Smith Paper Mills Co.

Canadian Industries Plan Expansion in Newfoundland

Canadian Industries, Ltd., have opened a permanent office in St. John's, Newfoundland, according to reports from that city. The company has already in Newfoundland agents for many of its subsidiaries but according to R. M. Watson, the company's representatives there, "The outlook for trade in Newfoundland is such that it has become necessary to open an office in St. John's with a permanent representative."

In conjunction with this move the company announces that in October it is sending Fraser Ross, a soil and fertilizer expert, to work in conjunction with the Department of Agriculture and Mines and the Land Development Association to examine the soil on various farms and uncultivated lands and recommend means of improvement.

Riviere du Loup Orphanage Serial Bonds on Market

From Our Own Correspondent

MONTREAL.—Cotè, Garneau Ltée. are offering $125,000 Rivière du Loup Orphanage 5 per cent serial bonds, maturing from 1933 to 1952. Maturities up to 1937 have been sold and the public are offered the 1938-1940 maturities at 97, 1941-1944 maturities at 96, and 1945-1952 maturities at 96, and 1945-1952 maturities at 95. In each case accrued interest is to be added to the price.

These bonds are wholly subsidized by the Government of Quebec as to principal and semi-annual interest payments by an Order-in-Council dated August 31, 1932, and approved by the Lieut.-Governor on September 2, 1932. Grant has been made to the orphanage of amounts payable annually and semi-annually out of the public charity funds, sufficient to meet the interest and amortization charges on this issue of bonds at their respective maturity dates. This grant is assigned to the trustee as security for the bondholders.

No New Shaft For Dome Mines Say Officials

Reports that Dome Mines is to sink a new shaft to explore the area recently diamond-drilled is premature, The Financial Post is officially informed. Diamond drilling indicated some interesting ore below the 23rd level, the ore being of good width and of commercial grade.

At the present time crosscutting is under way on the 23rd level. The area is about 1,000 ft. beyond the present workings and until the new find has been explored by a winze from the 23rd level the management would not think of going to the expense of sinking a shaft on the strength of diamond drill indications.

Nova Scotia Borrows $2,000,000 at 4¾%

From Our Own Correspondent

MONTREAL—Nova Scotia has sold $2,000,000, 4½ per cent, two-year notes at a cost of 4¾ per cent, claimed to be the cheapest money obtained by any Canadian province this year.

The price paid by the successful syndicate was $99.50. The syndicate included Royal Securities Corp., the Bank of Montreal; McTaggart, Hannaford, Birks and Gordon, Hanson Bros., and Harrison and Co. Other tenders included offers of $99.39 and $99.47.

Funds received from the loan will be used to liquidate the province's loans which the banks have been carrying for the past 18 months.

Hobbs Given Appointment Assistant Secretary C. N. R.

From Our Own Correspondent

MONTREAL — Announcement is made of the appointment of W. H. Hobbs as assistant secretary of the Canadian National Railways Co. He has been associated with companies now comprised in the National System for the past twenty years. Prior to the reorganization of the Canadian National executive, Mr. Hobbs was secretary to the chairman and president, Sir Henry Thornton.

Following the retirement of Gerald Ruel, K.C., as vice-president in charge of the legal affairs of Canadian National Railways, it has been officially announced that the position of legal vice-president has been abolished.

Wabana Ore Shipments Now Total 90,000 Tons

Total shipments of iron ore from Wabana Mines at Bell Island have amounted to 90,600 tons for the season to date according to reports from that area. Only three shipments had been expected during September but an additional vessel arrived late in September which brings total cargoes for the season to date to 10.

No official information is available to prospects of a change in the present low level of operations or give hope for increased production in the near future.

SHERWIN PAINT FOLLOWS TREND AS PRICES DROP

Manufacturers Cut 40c a Gallon to $3.25 for White

From Our Own Correspondent

MONTREAL.—Paint prices have again been cut and Sherwin-Williams Co. of Canada, in common with other large manufacturers, has lopped 40 cents a gallon off its white paint and 30 cents a gallon off prices for colors. This reduction applies to eastern territory; in the West both reductions are 10 cents less.

Current prices, therefore, are $3.05 for colors and $3.25 for white paints. Corresponding values in October, 1929, were $3.90 a gallon and $4.20 for white paint. The past three years has witnessed a steady falling off in demand and prices; figures today are the lowest quoted for many years.

Seeks More Active Sales

Sherwin-Williams closed its last fiscal year on August 31 so it is going into the new period with a price list which may tend to stimulate some activity in buying circles. Earnings for the last fiscal year have not yet been disclosed, but it appears they will fall below $388,470 recorded in the previous period. After charges earnings were equal to $4.59 a share on the 7 per cent preferred stock on which dividends are presently maintained.

Substantial savings were effected in working expenses last year while other steps to cut costs will not find full reflection until the end of the current period. The company has abandoned its can-making operations and is now obtaining its full requirements from outside sources.

Industrial Demand Lower

The paint manufacturer has been faced with many problems in the last year or two. Industrial demand has fallen off sharply and though this class of business allows but a narrow margin of profit it is a vital factor in enabling a company to operate its plant at a substantial rate of capacity.

Without much industrial business, large paint makers have had to devote more and more of their energies to the retail market, a division which has been a considerable factor in carrying the burden of overhead costs. But prices in this market have been cut several times and hand-to-mouth buying has made for further difficulty. In many cases, number of orders has shown substantial gains, though the dollar volume in a given day has fallen well below the corresponding period in the previous year.

The industry has had to contend with sharp declines in values for its basic requirements. White lead is currently selling around $8.60 a cwt.; in 1929 the corresponding price was $12.15 a cwt. Linseed oil is quoted at 50 cents a gallon; three years ago the price was $1.30 a gallon. Turpentine values have remained steadier with gallons quoted at 77 cents, a drop of but 3 cents from the corresponding period three years ago.

Possibly the last decrease in paint prices will speed business for Sherwin-Williams. An upswing in constructional activity, however, is what manufacturers are looking for as the greatest stimulant to paint sales.

Dominion Park Plans to Sell Land Parcel

From Our Own Correspondent

MONTREAL.—Shareholders of Dominion Park Co. at a recent special meeting authorized directors to explore the possibilities of selling a portion of the amusement company's land in the eastern section of Montreal. Proceeds would be used to meet pressing liabilities arising from an unfavorable operating season.

In the fiscal year ended October 31, 1931, operations resulted in a loss of $2,633 after expenses. Interest and income tax increased this deficit to $10,695; balance forward was $205,246.

In addition to a first mortgage of $60,000 outstanding, there is $400,000 of common stock. The shares are listed on the Montreal Stock Exchange but their appearance in trading is a rare occurrence.

Railway Gross Revenues Show Increase of Late

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co.'s gross earnings for the period September 22 to September 30, showed a marked increase over the corresponding period of last year. The increase, being the third reported for the year to date, amounted to $908,000, and compared with an increase of $472,000 for the seven day period. Gross earnings for the last nine days of September amounted to $4,760,000, as against $3,852,000 for the same period of 1931.

Gross revenues of the Canadian National Railways for the final period of September showed an increase of $606,706 or 13 per cent over the corresponding period of 1931. The weekly statement issued by the National System shows gross revenues of $5,233,727 for the nine day period ending September 30 last, against $4,627,021 for the same period in 1931.

Price Bros. and Co. Meet International's Schedule

From Our Own Correspondent

MONTREAL — Customers of Price Bros. and Co. have been informed by the company that they will be given the new rate on newsprint as put into effect by International Paper Co., namely, $45 a ton in New York or Chicago. Rates at other points vary depending upon whether or not shipments can be made by water and the zone in which the purchaser is located.

It will be recalled that a short time ago Price Bros. reduced the price of newsprint from $53 to $47.50 a ton, New York delivery. Shortly after International announced its new price of $46 a ton with rebates of $1 a ton where the paper could be shipped in cargo lots by water. It is this price that is being met by Price Bros..

Expectations are that the other newsprint producers will meet International's base rate, but to date no official announcements have been forthcoming. Advice of any change will likely be made to the individual customers, rather than through any general statement.

City of Quebec Meets Success With Bond Sale

From Our Own Correspondent

MONTREAL.—City of Quebec is meeting with success in its sale of an issue of $624,000 of bonds via the over-the-counter market. Over $400,000 was disposed of early in the week and it is expected that the balance will be sold before next week. The bonds went on sale on September 29. One of the largest individual sales was a block of $40,000 bonds to a Montreal brokerage firm.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Cobourg, Ont.	Sept.	H. R. Bain & Co.	6%	5 & 10-yr.	$33,631	.....	.....
Midland, Ont.	Sept.	H. R. Bain & Co.	6%	20-ins.	55,060	105.88	5.31%
York, County of	Sept. 30	Harrison & Co.	5%	20-ins.	297,000	99.77	5.03%
Montreal R. C. School	Sept.	Wood, Gundy & Co., Royal Bank, Greenshields & Co., Societe de Placements	5%	1961	700,000	99.679	5.08%
Riviere du Loup Orphanage	Sept.	Cote, Garneau	5%	Serial	125,000	.....	.....
Preston, Ont.	Oct. 3	Wood, Gundy & Co.	6% / 6%	20-ins. / 10-ins.	30,000 / 27,000	101.61	.....
Port Hope, Ont.	Oct.	Bell, Gouinlock & Co.	5%	20-ins.	18,097	97.07	5.35%
Provincial—							
Nova Scotia	Oct. 2	Bank of Montreal, Royal Securities, Hanson Bros., McTaggart, Hannaford, Birks & Gordon, Harrison & Co.	4½%	1934	$2,010,000	*100.19	4.40%
Saskatchewan	Oct.	Royal Bank, Canadian Bank of Commerce, Dominion Securities Corp., Wood, Gundy & Co., A. E. Ames & Co.	5½%	1952	‡2,000,000	*96.48	5.80%

*Offering price.

‡Additional offering.

Macaulay Institutes Action Against Publisher for Libel

From Our Own Correspondent

MONTREAL. — T. B. Macaulay, president of the Sun Life Assurance Co. of Canada, has laid a complaint of criminal libel against James J. Harpell, of Gardenvale, P.Q., president of the Journal of Commerce Publishing Co. At the preliminary hearing Mr. Harpell pleaded not guilty. A nominal bail of $950 was set, Colonel J. Archibald, of the Gardenvale Publishing Co., acting as bondsman.

The charge of criminal libel is based upon certain material appearing in the October, 1932, issue of the Journal of Commerce and in a book called "Industry, Commerce and Finance."

Elected President

A. E. CUTHBERTSON

who has been elected president of Harding Carpets, Ltd., will continue his duties as general-manager as well.

BLDG. PRODUCTS EXPECTS TO EARN PRESENT DIVIDEND

Present Rate is $1 Yearly on Class "A" and "B" Shares

From Our Own Correspondent

MONTREAL.—Directors of Building Products Ltd., confidently expect that the present dividend rate of 25 cents quarterly on the class "A" and "B" shares can be continued according to a statement sent out to shareholders with the last disbursement. In June a former annual rate of $2 was reduced to $1.40, and in September was cut to the present $1 rate because the last payment had not been earned.

Dividend payments during the current year will total $1.60 a share on the capital stock compared with $2 last year. Earnings in 1931 were equal to $2.18 a share but profits for 1932 will fall considerably below this level.

The company's ability to maintain a distribution on its shares indicates the economies which have been put into effect and the diversified sources from which it derives revenue. Building activity has been falling steadily and natural sales channels have been hampered by continued inactivity in construction.

New Units Useful

Building Products, however, within the past year has started production in its asphalt floor tile plant while new asphalt shingles have also been placed on the market. Other lines are included in the output of the new unit and they have been useful in tending to offset declines in regular lines.

In the letter to shareholders, those interested in the company's stock are asked to send in suggestions or reports on any new building or other project that may enable the company to have its products specified and used.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Mennie Manufacturing Co. of Omaha, Neb., manufacturers of chemacol, a product used in the chemical processing of coal to reduce smoke and soot, will manufacture in Toronto in the near future. Empire Coal Co. of Toronto will distribute the product throughout the Dominion.

Steelcote Manufacturing Co. of Canada, Ltd., has been formed to manufacture and distribute in Canada the enamels, varnishes, lacquers, etc., manufactured under the "Steelcote" patents in the United States by the parent company. The company is at present manufacturing in a temporary plant in Toronto but plans are under way for the acquisition of another plant in that city.

Sterling Electrical Co. of St. Catharines announces the reorganization of its branch works at Hamilton, which will be incorporated under Dominion charter as the Hamilton Sterling Electrical Co., Ltd. Expansion to the present plant is planned.

Last of Fraser Meetings Set Approval on Plan

From Our Own Correspondent

MONTREAL.—Plans for the reorganization of Fraser Cos. were approved at a meeting of the 6½ per cent debenture holders held in Montreal. This was the last of the series of meetings which have been held to consider the proposals.

Offers Orphanage Bonds

Coté, Garneau Ltée. are offering an issue of $125,000 5 per cent serial bonds of the Rivière du Loup Orphanage. The issue matures serially from October 1, 1933, to October 1, 1952, and the issue is wholly subsidized by the Province of Quebec as to principal and interest. Trustee for the issue is General Trust Co. of Canada.

Bond Sales

PROVINCE OF NOVA SCOTIA

A syndicate composed of Bank of Montreal, Royal Securities Corp., Hanson Bros., McTaggart, Hannaford, Birks & Gordon, Ltd. and Harrison & Co. has been awarded $2,010,000 4½ per cent two-year debentures of the Province of Nova Scotia at 99½, a cost basis to the province of 4.75 per cent. The debentures are dated October 15, 1932, and mature October 15, 1934 and are non-callable prior to maturity. Offered at 100.19 to yield 4.4 per cent the issue was largely taken up by banks.

PRESTON, ONT.

Wood, Gundy & Co. has been awarded $30,000 5½ per cent 20-installment debentures of the Town of Preston, Ont. and $27,000 6 per cent 10-installment debentures at 101.61, a cost basis of slightly under 5½ per cent. Bids for the issue are reported as follows:

Wood, Gundy & Co.	101.61
Waterloo Bond Corp.	101.565
Stewart, Scully & Co.	101.47
H. R. Bain & Co.	101.31
Goulding, Bulmer & Co.	101.175
Bank of Toronto	100.70
A. E. Ames & Co.	100.83
Dyment, Anderson & Co.	100.68
Forgie & Co.	100.634
Bell, Gouinlock & Co.	100.579
R. A. Daly & Co.	100.51
Milner, Ross & Co.	100.47
C. H. Burgess & Co.	100.40
Gairdner & Co.	100.31
Dominion Securities Corp.	100.079
W. C. Pitfield & Co.	100.03
Harrison & Co.	99.38
Griffis, Fairclough & Norsworthy	98.80
J. L. Graham & Co.	99.079
Cochrane, Murray & Co.	100.77
Matthews & Co.	100.637
Harris, McKeen & Co.	100.69
Rogers, Punchard, Lynch & Co.	100.12

PORT HOPE, ONT.

Bell, Gouinlock & Co. has been awarded $18,097 5 per cent 20-installment debentures of the Town of Port Hope, Ont., at 97.07, a cost basis to the town of 5.35 per cent. Bids for the issue are reported as follows:

Bell, Gouinlock & Co.	97.07
H. R. Bain & Co.	96.94
Stewart, Scully & Co.	96.521
R. A. Daly & Co.	96.36
Milner, Ross & Co.	95.80
Goulding, Bulmer & Co.	95.677
Matthews & Co.	95.374
Cochrane, Murray & Co.	94.91
C. H. Burgess & Co.	94.91
Dyment, Anderson & Co.	94.54
J. L. Graham & Co.	94.539

MONTREAL CATHOLIC SCHOOL COMMISSION

A syndicate including Wood, Gundy & Co., Royal Bank, Greenshields & Co. and Societe de Placements du Canada has been awarded $700,000 5 per cent bonds of the Montreal Catholic School Commission due November 1, 1961, at 99.679; a cost basis of 5.03 per cent. Bids on the issue were as follows:

1	Wood, Gundy & Co., Royal Bank of Canada, Greenshields & Co., Societe de Placements du Canada	99.679
2	Royal Securities Corp., Harris, Forbes & Co.	98.897
3	McTaggart, Hannaford, Birks & Gordon Ltd., Harrison & Co.	98.839
4	Bell, Gouinlock & Co., Fry, Mills, Spence & Co., McLeod, Young, Weir & Co., Ernest Savard Ltd.	98.797
5	Dominion Securities Corp., A. E. Ames & Co., Hanson Bros. Inc., Bank of Montreal, Banque Canadienne Nationale	98.63
6	National City Co., Mead & Co., Collier, Norris & Henderson Ltd.	98.371
7	Gairdner & Co., Nesbitt, Thomson & Co.	98.072
8	Dyment, Anderson & Co., R. A. Daly & Co., Griffis, Fairclough & Norsworthy, Matthews & Co., Cochran, Murray & Co.	97.868
9	C. H. Burgess & Co., Credit Anglo-Francais Ltee., L. G. Beaubien & Co.	97.57

COUNTY OF YORK, ONT.

Harrison & Co. has been awarded $297,000 5 per cent debentures of the County of York, Ont., maturing October 1, 1933-1952, at 99.777, a cost basis to the county of 5.03 per cent. Bids for the issue were as follows:

1	Harrison & Co.	99.77
2	Dominion Securities Corp.	99.177
3	Harris, MacKeen & Co.	99.08
4	Bell, Gouinlock & Co.	98.77
5	C. H. Burgess & Co.	98.194
6	R. A. Daly & Co.	98.093
7	Gairdner & Co.	98.072
8	Matthews & Co.	98.011
9	A. E. Ames & Co.	97.87
10	H. R. Bain & Co.	97.50
11	Wood, Gundy & Co.	97.50
12	Fry, Mills, Spence & Co.	97.27
13	McLeod, Young, Weir & Co.	96.81

TOWN OF MIDLAND, ONT.

H. R. Bain & Co. has been awarded $55,000 6 per cent 20-installment debentures of the Town of Midland, at 105.88, a cost basis of 5.31 per cent. The issue is guaranteed by the County of Simcoe. Bids received by the town were as follows:

1	H. R. Bain & Co.	105.88
2	Harris, MacKeen & Co.	105.39
3	Bell, Gouinlock & Co.	105.279
4	Dyment, Anderson & Co.	105.03
5	Dominion Securities Corp.	104.789
6	J. F. Tathem (Midland)	104.65
7	Wood, Gundy & Co.	104.57
8	R. A. Daly & Co.	104.39
9	Cochran, Murray & Co.	104.21
10	Hanson Bros.	104.07
11	C. H. Burgess & Co.	103.63
12	Stewart, Scully & Co.	103.422

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104
Pacific Burt	6½%	1937†		
Toronto Housing	5%	1953‡		

†Purchase of $15,900 for sinking fund up to Oct. 22, 1932.

‡Purchase of $15,500 for sinking fund up to Oct. 15, 1932.

*Called in part.

Bond Tenders

Oct. 12, School Commissioners of Montreal East—$76,000, 6 per cent, 5-year serial bonds. J. A. Forest, sec.-treas.

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TORONTO, OCTOBER 8, 1932

TAXPAYER'S PURSE HAS LIMITATIONS

TORONTO is generally regarded as one of the strongest cities, financially, in Canada. This may be due to some particular quality of intelligence in the civic government. It may be due to some administrative superiority of the city's paid officials. Or it may just be due to the fact that Toronto has grown so rapidly that even spendthrift councils have been able to do little more than keep pace.

But a study made by the Toronto Bureau of Municipal Research makes it quite clear that in this period of business depression the wealth and income of Toronto's citizens have fallen behind sharply while taxes have continued to increase. Toronto's financial stability is threatened unless the severest economy is exercised.

The Bureau shows that taxable income declined from $82,000,000 in the 1930 assessment to $63,000,000 in the 1933 assessment. The number of income taxpayers has declined. People have less money to disburse. The price level and the cost of living have come down but taxes have not. For the current year the total amount levied in taxes in Toronto was the highest on record as was the levy per cent. But levying taxes does not always produce civic income. Toronto is likely to have over $10,000,000 of tax arrears by the end of the year.

The Bureau quotes the statement of Hon. J. W. Jones, finance minister of British Columbia that "The government can afford only what the taxpayers can afford."

Obviously, Toronto taxpayers can not afford the luxuries the city government has been attempting to give them.

The experience of Toronto is being repeated in larger and smaller centres all over Canada.

COSTLY TO BUILD B. W. I. TRADE

A DISCUSSION on the value of the West Indies Treaty to Canada has been precipitated in the Canadian press by an address delivered by Lord Elibank at the Canadian Chamber of Commerce meeting in Halifax. Lord Elibank warned that if Canadians did not hold fast to their trade ties with the B. W. I., the orders of the latter would be diverted to the United States.

In most of the discussion that has followed Lord Elibank's remarks, the value of B. W. I. trade to Canada has been thrown largely out of focus. It has been, for the most part, exaggerated. The B. W. I. offer a market that may in years develop into something very important for Canada and that is worth reasonable cultivation, but that does not at the moment produce as large a volume of trade as is generally estimated. Canada today is losing money on its exports to the islands.

Some hard facts are worthy of consideration. Lord Elibank warns us that if we do not hang on to the trade with the B. W. I. the United States will get it. But the United States today has a larger volume of the B. W. I. trade than Canada.

In the four years to March 31, 1932, Canadian exports to the B. W. I. averaged $17,800,070 annually. We imported from the B. W. I. countries $18,400,080. Thus we had an unfavorable balance in our trade.

Now consider the United States figures. In the four calendar years to December 31, 1931, the United States sold an average annually to the B. W. I. of $26,090,000 and imported an average of $22,500,000. Thus, the United States had a favorable balance of trade with the B. W. I. It would seem that despite inducements that we offer to the B. W. I. for trade we have not been able to do as well in that market as our great neighbor to the south.

What are those inducements? In the first place, we have put on an expensive steamer service to the islands which is losing us large sums annually. In the second place we have granted important preferences in our markets which have had the effect of reducing our public revenues without reducing noticeably the costs of the goods we import.

At the Canadian Chamber of Commerce meeting at which Lord Elibank spoke, A. H. Whitman, Halifax manufacturer and merchant, pointed out that apart from the losses to date in the banana business under the present West Indies treaty the Canadian annual loss on the preference on sugar amounts to nearly $5,000,000. The losses on the West Indies steamship services are over $1,000,000 a year. Mr. Whitman estimated that preferences given by the West Indies on our exports are worth about five per cent benefit to Canadian exports. That is to say on the $18,000,000 of sales a gain of $900,000 per annum is noticed. For this we are paying the $6,000,000 noted above, a clear loss of about $5,000,000 a year or $50,000,000 for the ten years the treaty has to run.

Further comment on the treaty appears in the current issue of the Maritime Merchant, which uses the same figures as Mr. Whitman. The Maritime Merchant points out that the Halifax Board of Trade opposed the West Indies Treaty when its terms were revealed and that they also opposed the operation of government shipping on the lines.

The Maritime Merchant points out that because of the new preference given to the British West Indies sugar producers by the United Kingdom, sugar from the islands is going to the U. K. and we are importing sugar from elsewhere which is likely to have a material effect in decreasing the earnings of the West Indies ships.

It is worth while for Canada to invest a certain amount annually in the building up of a strong trade tie with the British West Indies, but it is doubtful if we can in the next generation make enough out of B. W. I. trade to pay us to the investment we are making in the present decade.

PRACTICE FIRE PREVENTION

NEXT week has been set aside by federal proclamation as fire prevention week and while obviously efforts in this direction must be religiously prosecuted every week of the year to be really effective, the observance of this particular week might well be made the starting point for year-round vigilance on the part of Canadian citizens not only at their place of business but in their home.

The appalling fire toll which costs Canada directly nearly $50,000,000 annually, can be traced almost entirely to carelessness. Without exception those industries and communities which have exercised care in regard to fire hazards have found ample reward for their efforts either through lower insurance premiums or through a general reduction in their per capita fire loss. This is borne out by the fact that in spite of years of depression, fire loss in manufacturing and industrial properties where the lessons of fire prevention have been driven home most effectively, has actually shown an improvement in recent years, while a steady and deplorable increase has occurred in dwelling fires. About 80 per cent of last year's fire loss has been traced directly to carelessness, a situation directly related to the sharp increase in dwelling fires which in that year cost $13,500,000 and formed nearly 30 per cent of our total fire loss. On a per capita basis our annual fire loss is nearly ten times that of the five leading European countries where personal carelessness in matters of fire hazards has been reduced to a very considerable degree.

A practical illustration of what can be done in this regard is the excellent record of the motion picture theatres of Canada. This industry last year ranked the highest of any class in Canada in regard to fire control. Last year only 19 fires with a total loss of $4,300 occurred in Canada's operating movie theatres. This in spite of the fact there were 1,920 theatres operating, representing a real property value of $45,000,000 and annually projecting some 2,880,000,000 feet or 546,000 miles of highly inflammable film.

If the same urge to carefulness were present in every home, every industry and every community in Canada there is little doubt that Canada's fire toll could be very easily cut to one-quarter its present staggering total with an immediate annual saving of scores of human lives and $30,000,000 to $40,000,000 in real property.

CAN WE TAKE THE C. N. R. OUT OF POLITICS?

WHATEVER may have been wrong with the Canadian National Railways, the country has been repeatedly assured for many years, both by successive governments and by the railway management, that there was one thing that was not wrong: the system was not subject to political interference. To those who accepted such assurances, therefore, it must come with some surprise that one of the features of the new plan for operating the system upon which greatest stress is laid is one intended to expel and to keep out political interference.

Evidently there has been a mistake somewhere in the past on this subject, but just as evidently there is a fallacy in the idea that some new scheme or organization can exorcise the demon of political interference,—if it is a demon. Granted the principle or the fact of public ownership and operation, political control is an inherent factor of the case. The system is the property of the people of Canada, and it will be operated in accordance with the wishes, or the supposed wishes of the people by the government which is responsible to them. No government either can or should discharge itself of responsibility in this connection. And, to put the matter on lower grounds, no government can forget the votes which are involved in the way the railway is conducted.

From the more vulgar, and the less expensive kinds of political interference the National Railways has been free for a considerable time. There has been no lavish distribution of passes, and the way to get a job or to achieve promotion has not been to obtain the endorsation of a member of parliament. Interference of that kind was aimed at the retail acquisition of votes. Political control of recent years has dealt in votes at wholesale, but they have been none the less expensive on that account. The building of some branch lines, acquisition of others, establishment or the maintenance of costly services, erection of costly terminals or hotels, all these have been to give the people what they wanted or were supposed to want, either by districts, by regions or throughout the whole country. The general policy pursued during recent years of turning the National lines into a magnificent system, regardless of cost, was in direct response to the supposed, and possibly to the real desires of the people of Canada, and otherwise the enormous sums required would never have been made available by governments and by parliaments. More recent attempts at economy have been similarly based.

Wide powers are to be conveyed to a new board, whether its members are to be called trustees or directors. Still wider powers are proposed for a board of arbitration. But such powers will have an essentially political limitation. Does any one suppose, for example, that they would extend to suspension of services on the Hudson Bay Railway, should both boards believe that to be a proper measure?

Government ownership and government operation are extensions of the functions of government, and government is a matter of politics. You cannot at the same time extend the functions of government and limit the operation of politics. There is a fundamental fallacy in the idea that such things can be set going by a political act, and political acts be forever after excluded, and even if it were possible it is doubtful if it would be sound, from the standpoint either of government or of business.

WESTERN FARM DEBTS AND WORLD PRICES

FROM a western farmer The Financial Post has received a very interesting letter. The writer says, in part:

"I appreciate, as a western farmer, the attitude of The Financial Post on the matter of farm indebtedness. The solution is, however, not easy to find. We are going through very unusual times and the remedies ordinarily thought ample do not meet our present situation. It will require very radical method to cope with the farm indebtedness as it now is.

"I am a farmer with outstanding obligations and as well have obligations accruing to me from other farmers on land sold or mortgaged. I owe considerably less than what is due to me.

"Continuance of this present hopelessness among debt ridden farmers will disrupt morals and bring about an indifference to obligations which will culminate eventually in a colossal monetary loss to the holders of present mortgages. Attempts at foreclosures, with increasing taxes, will only aggravate an already serious state of affairs."

His remedy for the situation is to have all western farm mortgages and debts rewritten on a wheat basis, say at $1 a bushel so that if wheat remains low in price the creditor shares the loss with the farmer while if wheat goes above $1 the creditor gets some of his money back.

This particular suggestion is largely impractical but it is nevertheless based upon a fundamentally sound theory—that some way must be found by our capitalistic system to avoid the unfair and automatic shifting of wealth that comes from changes in the price level. But the problem requires larger treatment than a postliminious application to western farm loans where more factors than the price of wheat are involved.

The problem of the western farmers' indebtedness, made so onerous a burden by the decline in the prices of the commodities he has to sell, is part of the much larger world problem of debt and prices. The difficulty with attempting to work out a general scheme for western farmers is that most of the people who have loaned money to the western farmer have in turn borrowed it from someone else and it would be more difficult to make provision for repaying their own creditors on an adjusted basis.

Many leading economists are of the opinion that it may be necessary, before we have finally solved the problem of this depression, to effect by legislation a percentage writing down of all debts of whatever character to allow for adjustment to the new and lower level of prices. There are many obstacles to such a scheme and the only alternative — barring a general rise in prices — is a continuance of the process of deflation with its attendant insolvencies, bankruptcies, defaults and receiverships, until the burden of debt throughout the world is brought in line with the money value of productive effort.

Stabilizing of prices by some means and on some basis is essential to the survival of any economic system.

EDITORIAL NOTES

Most reliable U. S. election forecast yet made is that the next president will be a man with an "R," a "V" and an "OO" in his name and with "E" as the fifth letter.

* * *

Many of the world's ablest thinkers contribute to the tenth anniversary number of "Foreign Affairs," official quarterly review of the Council on Foreign Relations, of the United States. Just published, the volume provides a striking conspectus of the present international situation. Sir Arthur Salter, Walter Lippman, Benedetto Croce and similar excellent writers contribute. The editor of Foreign Affairs is Hamilton Fish Armstrong, who has made of it the sober and non-partisan review that its sponsors hoped it would be.

POST-scripts

WE'VE heard of Christmas presents labelled "Do Not Open till Christmas" and usually we obey the injunction. Our patience was overtaxed this week however when a huge cylindrical roll was delivered to us bearing in bold type the words "Do Not Open till January, 1933."

We weakened and opened up a large and imposing Gregorian calendar for 1933. Rushing the season a bit, isn't it?

PRESS despatches say that a scientific investigation into the internal workings of the ubiquitous slot machine has revealed that the average model is geared to return 75 per cent of the money wagered in it. More popular designs, further surveys showed, returned but 67 per cent of the money placed in them. One business man has expressed the pious wish that the stock market were geared to return 75 per cent, or even the meagre 67 per cent of the money he has placed in it.

IT IS all very well to say Lo The Poor Indian, but figures show that Ottawa officials express the opinion that there are more Indians in Canada now than there were when the first white man landed in the country. The last census gave a total of 122,920 of red men; fifty years ago there were only 102,358 Indians in Canada. The gain in this section of the population is an indication of the fatherly care with which the Department of Indian Affairs watches over the fortunes of the race which caused some of our forefathers such acute discomfort at one time and another. Ontario lays claim to the greatest number of Indians with 30,368.

WE HAVE decided that astrology and advertising don't mix. At least not in the proportions we found it the other day.

An enterprising firm which manufactures some high-sounding patent medicine left at our door a nicely prepared booklet labelled "Astrology" and being interested we turned to the sign of the Zodiac under which we were born and read with keen interest and considerable enjoyment the fateful story the planets told about our personality. We read among other things that people of this sign suffer from weak stomach, heart, kidneys and liver and that they must be particularly careful of these organs. We have a weak stomach, so made a careful mental note of the other organs.

The next day however we tried our new-found booklet on a group of friends and although each one was born under a different sign and had widely different characteristics, we noted with growing amazement that all were subject to the same weaknesses of the same vital organs. Strangely enough these were the very weaknesses that this patent medicine was designed to benefit.

Next time we will have our astrology "straight" without an advertising "mixer."

In the Mail

Three Kinds of Waste

Editor, The Financial Post:

If the federal government is really trying to administer the affairs of the country in a business like manner and in the interests of the overburdened taxpayer, can you enlighten me as to the justification of the following waste of the people's money:

(1) A year ago or so the press declared that the Dominion telegraphs where they are already duplicating existing services, would be dispensed with in the interests of economy. To date nothing has been done and the taxpayers are called upon to support numerous offices at at least $2,500 per office per annum for doing nothing.

(2) By what line of reasoning do the government justify the maintenance of numerous soldier settlement representatives, motoring through the country from one year's end to the other, accomplishing nothing other than adding to the national deficit? A mortgage company does not find it necessary to make a weekly or monthly visit to its borrowers.

(3) Why are immigration halls maintained with salary, fuel, light, water and what have you, all gratis and for doing absolutely nothing? If it is thought necessary to have someone look after them why could they not be shut right up and have the policeman in the course of his duties make a monthly inspection.

If information is available will you let me know the total direct and indirect cost of feeding the above three white elephants throughout the Dominion for the last ten years. They could easily have been dispensed with.

—Taxpayer.

Spirit River, Alta.,
Sept. 19, 1932.

Other People's Views

S. M. Bruce on Ottawa

London Times, Trade Supplement—The most interesting passage in the statement made by S. M. Bruce (Australia) on landing related to complementary production. "As a result of Ottawa," he said, " Great Britain has fully recognized that the Dominions will continue to develop manufacturing activities, and the Dominions have agreed to limit such development to industries for which they are economically fitted. This," he said, "affords the proper basis for complementary production," and added that "the governments of the Empire have now accepted the principle of complementary production in industry, and I am firmly convinced that, provided the manufacturers of both Great Britain and the Dominions are prepared for a vigorous prosecution of this policy, this aspect of the agreements will be of great benefit to industry throughout the Empire." Mr. Bruce indicated that the new Australian tariff would be laid before parliament within four or five weeks. There would be a number of increases in the tariff to enable an improved margin of preference to be given to Empire goods.

Vogue for Secrecy

Northwestern Miller, Minneapolis.—Another example of the vogue for mystery and secrecy is the recent visit of the governor of the Bank of England, the Right Honorable Montagu Norman, to the United States. For some unknown reason Mr. Norman travelled under the assumed name of Professor Skinner. He apparently did not disguise himself by shaving off his beard or otherwise altering his appearance, so he was easily recognized, and the London press promptly announced that he was travelling incognito under the name of Professor Skinner. The very fact of his doing this has created far more attention and suspicion than if he had allowed it to be announced that he was on his way to the United States. One paper in criticizing Mr. Norman's action states that there was a time when only royalty and fugitives from justice thought it necessary to travel incognito. The same paper also questions the right of any one to adopt the title of "Professor" without being entitled to it. One of the London daily papers recently published an amusing cartoon showing the government's representatives to the Ottawa conference on board ship on their way home, each having assumed the name of Skinner, with the sonorous prefix of "Professor." Thus, Mr. Baldwin was Professor Stanley Skinner; Mr. Chamberlain, Professor Neville Skinner, and Lord Hailsham, Professor Hailsham Skinner. Anyway, the great financier has helped to raise a laugh, which is something in these somewhat depressing days.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

GERMANY LOOKS UP; FRANCE DOWN

LONDON is the brightest spot in all Europe," The Financial Post is informed by the chief executive of a very strong company which has important interests in Canada, the United States, England, Germany, France and various European countries. He was in Toronto recently in the course of a tour of every country where his company has an interest, and his remarks are of interest especially to readers of this column as they embody the observations and reflections of a man accustomed to dealings with affairs in a large way and of one who has recently seen leading industrialists and business men of the various countries of Europe intimately both in a business and social way. Because business policies of moment will probably be shaped for some years to come on his opinions, it is of interest to note that he has come to the following tentative but strongly held conclusions as a result of his tour.

First, that England will lead the world out of the economic depression;

Second, that France now faces a very serious internal situation as the result of cessation of reparations money and that on the whole that nation's opportunity to give leadership to Europe and to the world is now past:

Third, that Germany in spite of pressing difficulties, political and economic, will come back in an impressive way.

Some of his comments follow:

* * *

ENGLISHMEN have faced the music in the last ten years. That is the reason there is a much improved condition. No matter how stiff the taxes or how steep the grade, the Englishman has paid the one and doggedly tackled the other. Time and again he thought the bottom had been hit in the depression which he has been feeling since back in 1926 but now I find in London a stronger feeling of confidence that finally the bottom has been reached than at any time for years. People are out spending money again. One sign of the times is that there is a lot of gaiety in London.

"England did the wise thing in going off the gold standard, but I found everywhere among responsible business men the conviction that sooner or later England will be back on the gold standard again. But it will not be too soon this time.

* * *

FRANCE faces a very serious condition and this in spite of the fact that she has built up the most powerful army in Europe on the basis of reparations money received from Germany. With the billions of dollars received from this source France reconstructed the devastated area with modern homes which she would not have had in a thousand years otherwise. She also fortified the Alsace-Lorraine border line for more than 1,200 miles with the most modern underground fortifications known and all in steel and concrete; and in this period she has piled up very large supplies of war munitions including guns, more than all other European nations combined. But with the ceasing of German reparations money, all that stops. The Government work accounted for 80 per cent of all the great activity in the steel and iron plants of the Republic. The construction industry was also kept busy by the renovation of the devastated areas and additions to industrial plants. All that now remains are the normal requirements and, of course, there must be a great let-down all the way around.

* * *

MY CONVICTION, after travelling all over Germany and talking to many public men and to leading industrialists and business men, is that Germany will again come back to leadership of continental Europe. I know that she has been taxed to the limit to pay reparations, that there is unemployment on a huge scale, that political disturbances of late have created outside distrust and that France's present army, backed with huge munitions and a large gold supply, could go through any other European army like a knife through a pie-crust. But you cannot keep an important nation composed of 70,000,000 of the most intelligent, energetic and progressive people in Europe permanently under the heel of another nation of 38,000,000 people. They will come back without a doubt and they will be again in world markets in an important way. There are lots of things to be corrected and Germany is at present in a bad way.

"And I found that the largest employers of Germany do not fear Hitler. In spite of his ballyhoo and his lack of statesmanship they say that his electrifying appeal to Germans 'to keep fit' is doing an enormous amount of good. 'Keep fit mentally, physically and in every other way' has been his slogan. You can see the result in large numbers of men continually on the country roads in Germany. The unemployed are not sticking to the cities. They are to be seen everywhere in the country, often without shirts, burned brown as a berry, but singing and with their morale high. Hitler has induced many communists to leave the cities and live on the farms. People who do work take spare time to go on a bicycle with knapsacks on their back into the country and many sleep in the open air. Hitler knows he is no statesman and he has gathered around him some of the brainiest and strongest men in the Empire. He is not himself really radical.

"If the Von Papen-Hindenburg coup had not gone through, I am convinced Germany would have had a strong cabinet in any case under Hitler, and it may do so yet. People over here make the mistake of supposing that Hitler's support has been only from the uninformed mob and those attracted by some of his glittering appeals. His is the moving personality but the brains of Hitlerism are elsewhere.

"Germany will never pay another cent of reparations. I found Germans everywhere detemined on that. We might as well all put that out of our calculations."

BRITAIN ON GOLD?

LAST week it was bruited about in New York and Toronto that Britain was planning an almost immediate return to gold. It sounded incredible to those who remembered the mistake Britain made in 1925 by hastily returning to gold at the old parity of $4.86 2/3 to the £. It also failed to jibe with the recent British treasury policy of maintaining the pound around its present level, and even—if reports are true—of using the Chancellor's exchange stabilization fund to keep the pound from rising.

Discreet enquiries by The Financial Post brought no confirmation. The Post's London office advised that the low interest rates available for money in London and the lack of speculative buying of overseas products were keeping sterling depressed. General "City" opinion was given that stabilization of sterling could not happen until after the world economic conference which will not come off until after the United States election.

Officials at Ottawa have not been let in on any British treasury secrets but expect no early stabilization of the pound or return to gold although their conversations during the Imperial Economic Conference convinced them that Britain would eventually return to gold at a new parity somewhere under $4 but probably not lower than $3.50.

Remarkable improvement has taken place in the British financial position and confidence in London has largely been restored. But deducing from these facts that the return to gold will come soon is regarded by capable observers in Canada as somewhat over-optimistic.

HOOVER OFFENSIVE

WHILE Franklin D. Roosevelt has been actively campaigning for three weeks and has brought himself level with, if not ahead of Herbert Hoover, in the U. S. presidential race, the president only gets under way this week. Polls and private reports continue to show the tide running against the President. Some of his advisers, taking the position that there is everything to gain and nothing to lose, are urging "an October of dramatic surprises," the nature of which is not disclosed. They want the President to take the aggressive in a big way, and it is fairly certain that he will.

Hoover can be re-elected if he can make his campaign dramatic in October. He has only begun to fight in vindication of his first term record and to obtain re-election.

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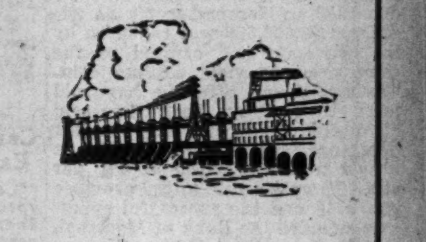

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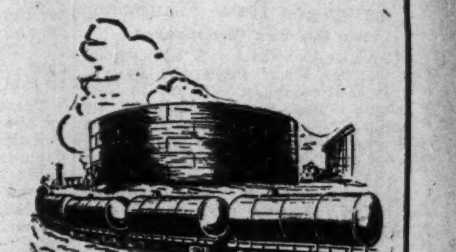

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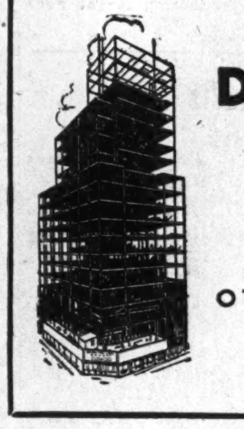

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Business Conditions in Canada

The Week in Business

Fourth Quarter Outlook Favorable

Western Farmers Deliver 140,000,000 bu. Wheat

BEGINNING of the fourth quarter finds business sentiment in Canada at a comparatively improved level than a year ago or even three months ago. On the favorable side of the ledger the factor of perhaps primary importance is the gradual disappearance of financial panic which spread across Europe and gradually gripped this continent and the majority of leading world countries following the now historic failure of the Credit Anstalt bank in Austria in May, 1931. The pressure first showed signs of lifting with the successful conclusion of the Lausanne conference early in July, for although the specific results of the parley were left dependent on action by the United States which has not yet been taken, the very signing of the agreement created a new and decidedly more hopeful spirit in world financial circles. In the succeeding two months this more optimistic outlook has definitely strengthened and unless new and now unforeseen troubles eventuate it can probably be safely said that the spectre of financial panic which assumed such unhealthy proportions as 1932 wore on, has now safely passed.

It is with this background in mind that we now face, along with other leading nations of the world, the slow, uphill work of recovery from the deepest depression trough of modern times. For the past six weeks there has been definite evidence that the decline has been at least halted and although little or no real progress upward toward the mythical goal of normal has been made as yet, we are beginning to feel confident that we have now definitely scraped bottom and that the gains which have been made by carloadings, electric power production, commodity prices and other sensitive indices will soon be consolidated and increased.

* * *

OF the week's news in Canada, there is little of specific encouragement except a continuance of the demand for Canadian wheat from abroad. Carloadings reacted considerably after the new high mark of last week, although merchandise loadings in the east made the best showing after seasonal adjustments, since mid-year. Employment returns as at September failed to give encouragement and after seasonal adjustment the number of workers in manufacturing plants and in all industries showed a heavy drop to new low ground since the record was first compiled at the beginning of 1921.

From the west the flood of new grain continued unabated during the past week and total deliveries to elevator points have now topped the 140,000,000 bushel mark. During the week, deliveries totalled over 26,000,000 bushels and although export demand took care of early offerings, importers stopped for breath later in the week and as a result prices broke through to an all-time low of 49 cents. Under the circumstances and in view of the entire absence of attempts at price stabilization the fact that there was a drop of only one and three-eighths cents between close of trading September 30 and the week previous, is considered a remarkably good performance, especially in view of the negligible amount of speculative interest in the market.

* * *

MORE than one-third of the deliverable crop is now in the visible supply and in a matter of two or at the most three weeks, the peak pressure will have disappeared not only by reason of smaller deliveries from the farms but by clearance of wheat already sold for export and still awaiting shipment in Canadian elevators. One highly favorable factor noted by the Winnipeg Free Press in its weekly grain survey is that Broomhall now reports that British millers are using 60 per cent of Canadian wheat in their grist mills. Only a few months ago these millers were using little if any wheat and except for the Scottish mills the total ratio is said to have been not more than 15 per cent.

The change is said to be due largely to the fact that other wheats have all been used up and cannot any longer be bought in large amounts. Russia is moving only a handful and the Argentina and Australia will not be in a position to export appreciable quantities until they harvest new crops in December and January. Total wheat export clearances from Canada in the first 8 weeks of the crop year have been 31,000,000 bushels against 19,000,000 bushels in the same period last year.

GREATER ACTIVITY IN MANUFACTURES IN LEADING CITIES

Four Records Increased Employment on Sept. 1

Manufacturing establishments in Montreal, Quebec, Ottawa and Vancouver recorded large enough gains on September 1 compared with the beginning of the previous month to offset losses in construction and trade and make total employment in these cities at September 1 greater than at the beginning of the previous month. Curtailed pay lists are reported from Toronto, Hamilton, Windsor and Winnipeg at that date compared with August 1. All cities reported curtailed employment compared with a year ago.

Dropping from 86.3 on August to 86.0 on September 1, the employment index of the Dominion Bureau of Statistics reached the lowest point recorded for this date since the index was commenced in 1921. Usual experience at September 1 is that there is a slight slackening of industry but the loss this year was less than the average percentage loss in the past decade.

Analyzed by groups, manufacturing, coal-mining, transportation, railway construction, services and wholesale trade reported heightened activity as compared with the preceding month, the general increases in these industries exceeding those recorded on the same date of last year. On the other hand activity was curtailed in logging, building and highway construction and retail trade. It is noteworthy that in highway construction alone the decline exceeded the total declines recorded by all co-operating employees.

Montreal—1,263 workers added during the month to 1,086 co-operating firms who employed 127,042. Gains in textile manufacturing and losses in construction and trade.

Quebec—A considerable advance was made by 147 firms who employed 12,897 persons compared with 12,322 on Aug. 1. Leather and iron and steel manufacturing made the chief gains.

Toronto—Only textile manufacturing recorded an increase, other manufactures and trade releasing employees. Trend last year at this time was upward. 108,275 workers in 1,197 firms, or 860 fewer than Aug. 1.

Ottawa—A slight increase was recorded by 156 firms with 12,481 employees compared with 12,404 a month ago.

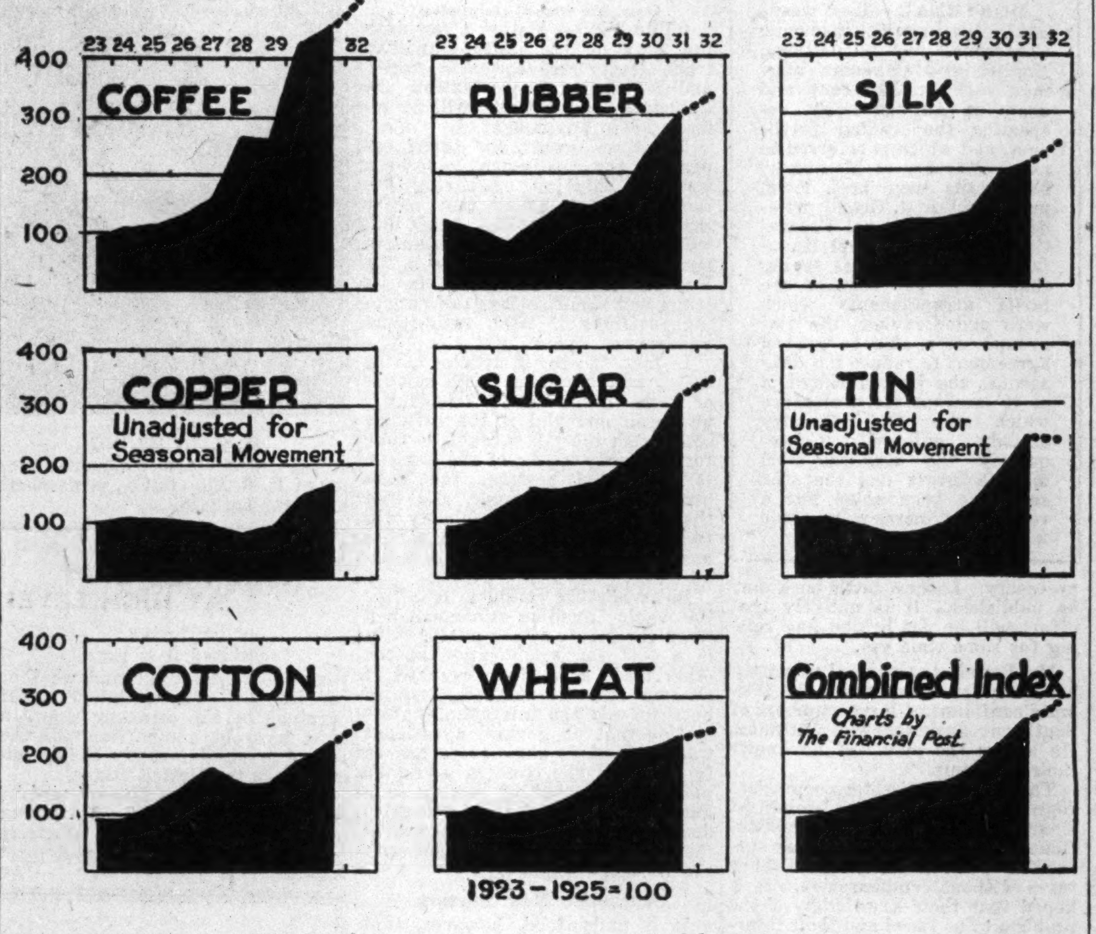
Hamilton—Iron and steel and textile manufacturing and construction was decreased while other industries showed little change. Employees of 236 firms numbered 24,182 compared with 25,283 on Aug. 1.

Windsor and District—Reduced activity in automobile plants was responsible for the drop from 10,226 to 9,172 in the number of employees of 135 co-operating firms.

Winnipeg—All groups were slightly less active. A working force of 35,094 compares with 35,458 employees of 383 firms at Aug. 1.

Vancouver — Manufacturing more active with other industries showing only slight changes.

Stocks of World Commodities up 286 Per Cent



The gigantic piling up of stocks of staple world commodities which has taken place in the past three years is vividly portrayed in the above charts prepared by The Financial Post from indices compiled by the United States Department of Commerce. Individual charts show indices of world supplies of eight leading commodities, 100 in each case representing the average monthly surplus in the years 1923-1925 inclusive.

The combined index includes the eight individual commodities shown above and also world stocks of tea, which is not shown but is included in the compilation of the final index. In each graph the figure used is the average annual index from 1923-31 inclusive, where data is available. The dotted line projects this annual average index to the figure covering the last month for which data is available which in most cases is June, 1932.

SEES SMALL CROP ONTARIO POTATOES

Present Indications Point to 70% of Last Year's Production

That Ontario's potato crop will not amount to more than 70 per cent of last year's outturn was the opinion expressed last week to The Financial Post by an official of the Ontario Marketing Board.

His comment on the current potato crop prospects in Ontario were as follows:

"The area planted to potatoes this year has been estimated at 156,300 compared with 168,160 last year. This is a reduction of over 7 per cent. Reports from our field men and other sources indicate that the yield will be considerably lower and we have estimated that the total crop harvested according to present indications will not be more than 70 per cent of last year's production and will probably be as low as 65 per cent. Prices of course are quite unsatisfactory but have been holding rather steady for several weeks. The Toronto wholesale price to the retail trade is 55 to 60c. per 90 lb. bag. The f.o.b. price is 35 to 40c. per 90 lb. bag.

"Digging of the late crop has commenced but will not be general for about two weeks. Blight has been reported in a few districts but generally speaking, the quality of potatoes this year is very high."

Auto Production Drops in August

Production of 4.067 motor cars and trucks in Canada during August was, with the exception of January, the lowest figure reported for any month of the year to date but the automobiles made for export included in that total were greater than all other months with the exception of July. The August, 1932, total was 10 per cent less than the 4,544 cars produced in August a year ago.

Of the month's total output 2,312 cars were made for sale in Canada, leaving a balance of 1,755 cars intended for export. Cars produced for export in July number 2,699 the highest total for the past two years.

For the year to date 51,208 automobiles have been produced compared with 74,849 in the same period of 1931. Of the 1932 total 44,049 were for sale in Canada and 7,159 for export compared with 64,281 for sale in Canada and 10,568 for export in 1931.

Business Briefs

Car Loadings for the week ended Sept. 24 decreased to 51,915 cars from 55,523 in the previous week. This was against the usual seasonal trend and the index number made a spectacular drop from 78.54 to 68.94. Lower grain loadings in the western division were chiefly responsible for the large decrease.

Canadian Wheat Stocks in store in Canada and the United States on Sept. 23 increased to 174,434,070 bu. from 153,333,585 for the previous week. Stocks in the corresponding week in 1931 amounted to 121,238,828 bu.

Wheat Exports for the week ended Sept. 23 amounted to 6,654,701 bu., the largest this crop year and compared with 4,223,875 bu. for the previous week and 3,241,927 bu. in the same week of last year. Montreal handled over 3,000,000 bu., Vancouver 1,800,000 bu. and Churchill 700,000 bu.

Automobile Traffic entering Canada through Pacific Coast custom ports amounted to 65,245 cars carrying 222,406 passengers for the first eight months of the year. This is a decline of 17,591 cars and 56,368 passengers as compared with the same period of last year, the largest drop being in August.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Oct. 1	Previous week	Last year Oct. 2
Cattle (cwt.) (Toronto).	$5.40	$6.00	$6.50
Copper, lb.	.06¼	.06¼	.07
Cotton, lb.	.0705	.0745	.0560
Rubber, lb.	.0375	.0388	.0470
Silk, lb.	1.85	1.82½	2.27½
Sugar, raw, lb.	.0316	.0315	.0343
Wheat, (Man.) bu.	.49¼	.50½	.54
Hides, lb.	.08½	.08½	.08
Coffee, lb.	.09⅝	.09½	.05⅝

Weekly Indices*

N. Y. Annalist	94.0	94.9	99.9
Fisher's	62.2	62.4	†72.6
N. Y. Journal of Comm.	59.0	59.6	64.8
Crumps (British).	64.2	63.9	†64.9

*N. Y. Annalist base, 1918, others 1926.
†Average 1931.

Monthly Indices

	Latest	Pr. mon.	Last yr.
Canada (D.B.S.)			
Wholesale (Aug.)	66.8	66.6	70.6
Retail (Aug.)	81.5	80.8	89.1
U. S. Labor (Aug.)	65.2	64.5	72.1
Gr. Brit. (Aug.)	67.2	66.1	67.2

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15, New York; sugar—96 degree centrifugal c/f, New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Sept. 24)	51,915	54,085	1,573,344	1,838,000
C.P.R. gross earn. (Sept. 30)	$ 4,760,000	$ 3,852,000	$ 91,101,000	$ 107,983,000
C.N.R. gross earn (Sept. 21)	$ 3,578,030	$ 3,832,248	$ 101,998,254	$ 127,925,913
	Monthly			
C.P.R. net earn. (Aug.)	$ 697,206	$ 1,152,721	$ 6,808,793	$ 9,692,312
C.N.R. net earn. (Aug.)	$ 209,175	$ 514,034	$ 3,371,283	$ 2,178,688
Iron and Steel—				
Pig iron, tons (August)	5,992	23,212	90,510	362,737
Steel, tons (August)	26,710	52,491	234,704	559,465
Automobiles prod. No. (Aug.)	4,067	4,544	51,208	74,849
" exports, No. (Aug.)	1,566	797	6,225	12,257
Construction—				
Building Permits (Aug.)	$ 3,331,278	$ 8,201,879	$ 30,137,519	$ 78,194,996
Contracts (August)	$ 12,688,500	$ 26,142,600	$ 99,989,800	$ 217,134,900
Newsprint—				
Production, tons (Aug.)	157,919	165,124	1,293,947	1,460,650
Exports, tons (Aug.)	152,760	160,175	1,217,986	1,343,052
Sugar—				
Imports, raw, lbs. (Aug.)	98,885,200	98,401,300	520,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs.	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (July)	1,201,965	1,319,008	7,184,414	7,967,781
Wheat flour exp., bbls. (Aug.)	330,382	522,178	3,148,987	3,654,403
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Aug.)	53.60	93.19	499.51	644.78
Boots & shoes, pr. (July)	1,279,484	1,456,822	10,509,069	10,435,799
Petroleum, imp. crude, gal. (August)	89,776,589	106,065,392	644,965,555	668,538,344
Cotton, imp., raw, lbs. (August)	5,995,000	4,754,000	56,579,000	55,335,000
Rubber, raw, imp., lbs. (Aug.)	2,173,019	5,160,225	32,269,945	41,381,008
Coal, imports, tons (Aug.)	1,198,210	1,488,880	6,643,542	8,099,315
Gasoline sales, gals., (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (August)	$ 36,527,262	$ 47,308,079	$ 314,285,344	$ 449,585,908
Exports (August)	$ 41,314,120	$ 48,763,652	$ 306,543,115	$ 390,064,275
Wheat exports, bus. (Aug.)	18,289,832	11,909,108	106,116,128	111,856,634
Labor—				
Employment Index (Sept.)	86.0	107.1	......	......
Electric Power—Output—				
M. Kilowatt hours (July)	1,157,845	1,251,322	9,105,444	9,568,293
Finance—				
Failures, No. (July)	175	152	1,412	1,261
Failures, Liabilities (July)	$ 2,986,840	2,511.041	$ 24,208,290	$ 25,364,054
Bank debits† (July)	$ 2,176,000	2,400,404	$ 14,712,824	$ 18,825,548
Bond sales (Aug.)	$ 8,738,523	2,001,639	$ 197,713,411	$ 335,872,850
Insurance sales (August)	$ 28,370,000	$ 35,738,000	$ 281,372,000	$ 337,217,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,844,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ ‡1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted). ‡Deficit.

Surplus Commodity Stocks Make Gargantuan Pile

World Surplus of Coffee Alone Would Last U. S. A. Forty Years — Visible Supply of Leading Staples Rises 286 Per Cent

By KENNETH R. WILSON

If it were possible to pile 33 million bags of coffee, 8 million bales of cotton, 500,000,000 bushels of wheat, 600,000 tons of rubber, 480,000 tons of copper and the available world supplies of other leading commodities in a gargantuan pile where citizens of the world might view the monstrous spectacle, there would indeed be a sight which might well rank with the seven wonders of the world. It might also serve to bring home forcibly to world citizens the real and far-reaching significance of present world commodity surpluses which hang like a pall over the commodity markets of the world.

For though commodity prices at wholesale have scored a 10 per cent increase during the past three months, they are still between 35 and 40 per cent below the levels of 1929 and one of the most important factors blocking further recovery is the gigantic and in many cases undreamed of world supplies of commodities which have accumulated in every corner of the globe and which must be gradually disposed of before any really substantial recovery in commodity prices can be achieved. To Canadians the situation is most forcibly appreciated by the price of wheat in world markets which simply refuses to move above present record low levels, largely because of the gigantic surplus of that commodity which is stored in the elevators of leading world exporting countries and which is a constant threat on world markets irrespective of all other market factors.

Increase is 280 Per Cent

To give readers of The Financial Post some idea of the significance of these world surpluses, data has been compiled from information gathered by the United States Department of Commerce and which gives in comparable form the world stocks of leading staple commodities over a term of years. The combined index which includes coffee, copper, cotton, rubber, sugar, wheat, silk, tin and tea shows that after adjustment for seasonal tendencies, world stocks of these nine commodities in June, 1932, had increased by 286 per cent over the average of such stocks for the period 1923-25 inclusive. Thus an index number with 1923-1925 equalling 100, now stands at 286—the highest point since the index has first compiled 12 years ago.

The various indices which comprise the combined figure (with the exception of tea) are shown in the accompanying chart and indicate the approximate position of world commodity surpluses at mid-year 1932 as compared with the annual average in each of the eight preceding years.

40 Years Coffee Supply

Take coffee for instance. Latest available information (May, 1932) places total world stocks of this commodity (including interior of Brazil) at roughly 33,456,000 bags. If seasonal trend is considered, this is relatively only a small drop from the all time high mark of 37,260,000 bags reached in January of this year. The significance of this colossal surplus may be better appreciated when it is realized that it would take the United States (the world's largest user of coffee) something like 40 years to consume this surplus on the basis of the January, 1932, figure.

The total may also be appreciated when it is known that prior to midsummer of July, 1927, when coffee stocks first began to accumulate in anything like their present-day proportions, the average monthly total of world coffee stocks had never exceeded the 9,000,000-bag mark—just one-quarter of the vast supply which now hangs over the world markets.

Wheat Supply Doubled

Wheat is a commodity in which Canada is most particularly interested. For the five-year period, 1923-27 inclusive, the visible world supply of wheat averaged not more than 250,000,000 bushels every month. Since then the world supply has steadily risen and is now considerably more than twice that figure. The all-time high mark was reached in January of this year when no less than 631,600,000 bushels of world supply were visible. Since then the usual seasonal ebb of stocks has occurred and as at June, 1932, this figure had declined due to seasonal influences, to 444,800,000 bushels. Since then the appearance of new crop in the northern hemisphere has again swelled the total although the short winter wheat crop in the United States, together with other favorable factors, will, it is hoped, aid in reducing the figure before the end of this present crop year. As indicated in the chart, however, visible world wheat stocks are still from 2 to 2½ times what they normally were in the 1923-1927 period.

Another important world commodity is cotton. Figures covering the fifteen year period from 1913-1927 inclusive indicate that over that period of time the average world visible supply was approximately 5,000,000 bales. In 1930 and 1931, stocks began to pile up with a record peak being reached in January, 1932, when world visible supplies reached 10,398,000 bales or more than twice the annual average supply for the long preceding period. Since then some improvement has been noted but latest available figures (July, 1932) indicate that world supply is still 7,793,000 bales in spite of the fact that the low point in the year for world supplies is usually July.

Refined Copper up Sixfold

Almost the same story can be told for any leading commodity for which records of world stocks are available. Unfortunately no record of world stocks of blister and refined copper has been published since 1931 but the record of world supply prior to that time indicates clearly the manner in which refined copper has been accumulating. Stocks of blister copper in North and South America (which in normal times is the best available index of supply) have remained fairly steady but stocks of refined which on these two continents averaged about 80,000 short tons in the five-year period 1925-1929 inclusive, mounted sharply in 1930 with an average for that year of over 312,000 tons. The latest available figure, September, 1931, showed refined stocks at 480,000 tons or just six times the average of the preceding period.

Crude rubber has long been the stormy petrel of the commodity market and ever since data on stocks of this commodity were first compiled, the world supply has been steadily increasing. As seen by the adjoining chart, world stocks after adjustment for seasonal variation are considerably more than three times what they were in 1925, the all-time peak being reached in May, 1932, when total stocks soared to 644,200 long tons—a figure which has increased cumulatively by 100,000 tons in each of the four previous years. A normal figure for that month would probably be about 250,000 tons.

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This year companies will be covered in an even more complete manner than formerly; of producing companies there will be full record of production, costs, earnings and dividends, complete record of financial structure and history, also details as to personnel and directorate.

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UNION GAS STOCK IS NOW TRADED ON TORONTO EXCH.

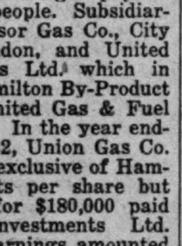
Earnings Ahead of 1931 But Winter is Important Period

Listing of 706,119 shares of Union Gas Co. of Canada stock for trading on the Toronto Stock Exchange marks the first listing on the "big board" for many months. The stock was previously traded on the Toronto Curb. The stock is the only security of the company outstanding in the hands of the public although $7,928,000 of 5½ per cent first mortgage bonds are held by the banks as collateral for loans and securities of subsidiary companies are publicly held.

Directly or indirectly, Union Gas supplies natural and artificial gas to important districts in Southwestern Ontario having a population of 500,000 people. Subsidiaries include Windsor Gas Co., City Gas Co. of London, and United Fuel Investments Ltd. which in turn controls Hamilton By-Product Coke Co. and United Gas & Fuel Co. of Hamilton. In the year ended March 31, 1932, Union Gas Co. earned $283,895, exclusive of Hamilton, or 40 cents per share but after provision for $180,000 paid United Fuel Investments Ltd. under contract earnings amounted to 12 cents per share.

Interim earnings statements of the company are not published but results in the first five months of the current fiscal year show some improvement over the corresponding period of 1931. The most important earning period is during the winter months and much will depend on weather conditions. Given a normal winter it is anticipated that earnings of the company will show good improvement over the last fiscal year which included a mild winter.

V. Evan Gray Director of London & Western



Appointment of V. Evan Gray to the board of directors of the London & Western Trusts Co. has been announced.

From 1920 to 1924, Mr. Gray was Registrar of Loan and Trust Corporations in Ontario and Superintendent of Insurance for the province. Following this he was chairman and counsel of the Canadian Casualty Underwriters' Association and its allied body, the Canadian Automobile Underwriters' Association. He is now a member of the law firm of McRuer, Evan Gray, Mason and Cameron, and ranks as one of the leading insurance counsel in Canada.

Mr. Gray is also a member of the Board of Governors of McMaster University, Hamilton; a member of the executive committee of the Associated Board of Trade and Chamber of Commerce of Ontario. He is a director of Canadian General Securities, Ltd.

NOTICES

SCOTCHMAN, 55 YEARS OF AGE, single, thorough knowledge of French and Spanish, 25 years business experience in Mexico; wishes to return to any Spanish-American country as representative or in responsible executive position. For further particulars, references, etc., write to W. D. Flemyng, Fort Steele, B. C.

DIVIDEND NOTICES

THE

Teck-Hughes Gold Mines

LIMITED

(No personal liability)

KIRKLAND LAKE, ONT., CANADA

The Directors of this Company have declared a dividend of 15c per share, payable on November 1st, 1932, to shareholders of record at the close of business October 14th, 1932.

K. P. EMMONS, Treasurer.

Montreal Tramways Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending September 30th, 1932, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday, the 6th day of October, 1932, at 4 o'clock p.m. and payable on Saturday the 15th day of October, 1932.

By order of the Board,

PATRICK DUBEE, Secretary-Treasurer.

September 19th, 1932.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1932.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1932.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1932.

By Order of the Board.

C. B. Robinson, Secretary-Treasurer.

Montreal, September 26, 1932.

Canadian Bronze Company Limited

Dividend Notice

THE quarterly Dividend of 1¾% on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1932, to Stockholders of record as of the 20th day of October, 1932.

Also a quarterly Dividend of Thirty-one and one-quarter (31¼) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1932. Payable the 1st day of November, 1932, to Stockholders of record as of the 20th day of October, 1932.

By Order of the Board,

W. C. PAQUETTE, Assistant Secretary.

Montreal, P.Q., September 30th, 1932.

Work of Credit Corp'n Is Now Well Organized

Beatty Scheme Ready to Take Advantage of Marketing of This Year's Crop to Assist Western Farmers in Essential Work of Diversifying Their Income Sources

By Staff Editor

REGINA.—Dominion Agricultural Credit Company held its first directors' meeting to organize its effort last October. It is thus a little less than one year old. Under the general managership of Harvey O. Powell, formerly general manager of Weyburn Security Bank, it has been active during the last year organizing the West to the end of greater diversification in farming.

Achievements of the company, after less than one year of operation, must be measured in terms of the organization work that has been done. With the marketing of this year's crop, the way will be opened for further actual results in the way of financing the purchase of livestock by western farmers. Thus from now on, the work of the company can be measured in terms of the number of farmers successfully started in the business of raising sheep, cattle, dairy cows or even hogs. The corporation has no intention of overlooking the practical problems in the way of its effort; the officers are avoiding the all too common mistake of attempting to revolutionize western agriculture over night. In the first place it has not been demonstrated that western agriculture needs such rapid transformation. In the second place, it may be taken for granted that western agriculture does not want it. But there is a very definite place for a corporation assisting those farmers who can make use of livestock to obtain and finance the best stock and to put them on a profit-making basis from the start.

Idea Was Beatty's

Dominion Agricultural Credit Company is a product of the desire of Edward W. Beatty, chairman and president of the Canadian Pacific Railway Company, to make the western farmer more nearly depression-proof. Its objective was thus succinctly stated by the railway chieftain:

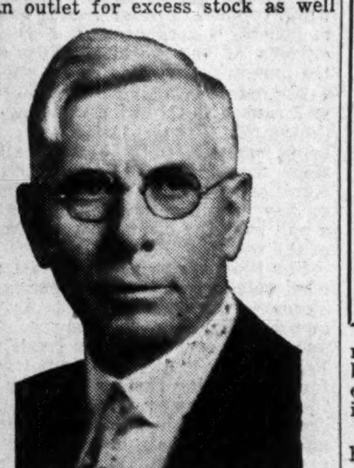
"It should be made clear that the formation of an agricultural credit company is not for the purpose of attempting to meet or correct the unusual and somewhat severe conditions of the present day. It is a policy which can be made effective over a period of years and one which in the view of many of our most outstanding agricultural experts should go a long way toward promoting a greater degree of stability in the agriculture of the West. The idea is sound, but inasmuch as it is being advanced at a time when world price conditions have caused considerable inconvenience in the economic life of the country, it would appear advisable that the real purpose of the proposal should be widely understood so that it will not be regarded as a movement to revolutionize western agriculture any more than it is a movement in the nature of a measure of emergent relief."

Capital of $3,500,000

Enlisting the aid and support of leading railway, financial and industrial corporations, Mr. Beatty caused to be formed a corporation to carry on work similar to that which had been successfully carried on in the similar states south of the border where large numbers of wheat farmers have been induced to go into the livestock business usually to their own profit.

Dominion Agricultural Credit Company was formed under Dominion letters patent issued on January 23, 1931. Its nominal capital was set at $5,000,000. Of this, about $3,500,000 was subscribed by a large number of corporations whose names have been published in full in the press. A call of ten per cent was made. Of the $350,000 of capital that came into the company's treasury only a small amount has been loaned out. But a large amount of preliminary work has been done. This has been under the direction of Mr. Powell, assisted by inspectors appointed by himself. These inspectors are men who know the West intimately; men who have themselves conducted practical farming operations and who were induced, more by the personal appeal of Mr. Powell and their own realization of the western problem than by any fancy salaries they expected, to take on the work.

Local committees have been organized in western communities to work with the company. A large map hanging in the office of Mr. Powell in Regina indicates not only where these 323 committees are located, but where farmers have taken advantage of the proffered assistance and loans. The pins on the map are of different colors and, if one is not color blind one is struck by the fact that there are more pins representing committees than pins representing farmers who have bought stock. But the groundwork has been laid. It is significant that a third set of pins indicates where excess stock is known to be in the hands of farmers for sale. This indicates the desire of Mr. Powell and his associates to provide an outlet for excess stock as well



H. O. POWELL

as a buying group for stock that is required. Most of the excess stock is available in the Southern Manitoba area.

Best Organized in South

At present there are functioning 226 committees in Saskatchewan, 57 in Manitoba and there is a large measure of concentration in the more southerly areas that have been classified as dried out in recent years.

The new organization lends money only on livestock for breeding purposes and there is no arrangement for loaning money for feeding. Committees have been formed in each community where loans are to be made, which will recommend the applications for loans from this company. The company loans up to 80 per cent of the value of the livestock and, in certain cases where the applicant has unattached security to offer, he may be able to get 100 per cent. Loans do not exceed $1,000 and the minimum loan is $200. Repayment is spread over three years with interest at 6 per cent.

Of much importance as indicating the aims of this company is the by-law stating that the corporation is carrying on a development programme and loans must be made only for the purchase of additional and a better grade of livestock and not to finance indebtedness already existing. The company proposes not to take over debts already outstanding but by means of careful selection and personal attention to give farmers an opportunity to improve the position of their farms by adding better livestock.

Service Fee is Small

With the loans a service fee of ten per cent is charged. This covers first of all insurance on the stock for a period of three years. The balance is what the name implies and is not an additional interest charge. In the case of the farmers who have already been aided, the service rendered has always been worth much more than the charge made. The inspection afforded provides that no farmer shall pay more for stock than it is worth; that he shall get the right kind of stock and know how to raise, feed and market it.

Some lack of interest has been exhibited in some territories such as Southern Manitoba where the farmers have a fair supply of foundation stock. But the district has been organized by the corporation in order that it might be in touch with all farmers having stock for sale.

Work of the Dominion Agricultural Credit Company is of a practical character and as farmers are won over to its aims and objectives it is expected to have a wide field of usefulness. It is also anticipated that a keen demand for loans will be noted when livestock markets show signs of picking up. Farmers are still afraid of animal prices but will be reassured when the price trend is reversed.

Pushing Sheep Now

At the present time much effort is being put behind sheep, which are ideal animals for many of the southern area farms. They feed on the summer fallow, are inexpensive to buy and simple to handle. Proper buildings can also be erected at small cost. Cost of fencing is a problem that better times will solve. The company has prepared an interesting booklet telling of the actual experiences of typical farmers with sheep and the large demand for the booklet has made a second printing necessary. Later a cattle book may be published. It is unlikely that effort will be put behind hog raising for some time yet.

Mr. Powell, the general manager, has been for many years the intimate confidant of large numbers of Southern Saskatchewan farmers. He knows the men and he knows their problems.

The board of directors comprises representatives of the prominent financial and commercial institutions of the country as well as successful western farmers. They serve without compensation. It is hoped that their knowledge of the problem to be faced and their interest in western development will prove a practical guarantee of the success of the company. The majority of the directors are men resident in the territory most closely affected and directly connected with the present business and agricultural life of the West. The headquarters of the company are established in Regina, as any attempt at long range administration would undoubtedly endanger the prospects of its success.

Directors at present are: president, Hon. J. G. McGregor, Winnipeg; vice-president and general manager, Harvey O. Powell, Regina; directors: James A. Richardson, Allan S. Bond, J. W. Spears, Winnipeg; Thomas Wood, Elm Creek, Man.; A. E. Whitmore, Regina; Robert Cruickshank, Moose Jaw; Robert Shannon, Saskatoon; Lt.-Col. J. H. Woods, Calgary; C. M. Bowman, Waterloo, Ont.; R. Byron Horner, Blaine Lake, Sask.

Among the directors, special mention might be made of Mr. Cruickshank, an outstanding successful stock-raiser; Mr. Shannon, who has been a grain-grower but who is now completely sold on diversification; Mr. Wood, who has been a notable success in western farming; and the president, Mr. McGregor, who has a world-wide reputation as a breeder of Angus cattle.

English Steel Men Pleased With Pact

From Our Own Correspondent

MONTREAL.—Two weeks before the Imperial Economic Conference met in Ottawa, English and Canadian steel men met in Montreal and drew up an agreement respecting the trading privileges, and which is referred to as the "Treaty of Montreal." No details have been made public, but A. J. Grant, president of the National Federation of Iron and Steel Manufacturers, is quoted as saying that in 75 per cent of the tariff arrangements which were under review, the two groups were able to get an agreement to reduce the duty against the United Kingdom or to increase the preference which the Old Country already enjoyed. Consequently the English steel manufacturers feel that the seed has been sown for a very large increase in trade with Canada.

FREE ENTRY U. K. CAR PARTS SAID COMING

(Continued from page 1)

branch plants or to a linking up with plants already operating here.

From Our Own Correspondent

OTTAWA. — Within a few days the text of the Anglo-Canadian trade treaty will be made public, and legislation implementing the Canadian commitments will be introduced in Parliament.

For three weeks the tariff experts of the government have been working overtime preparing the tariff revision which this treaty makes necessary. The tariff bill will be one of the most extensive measures ever brought down in the Federal house, exceeding in its scope and ramifications the sweeping revisions of 1930, spring and midsummer, and of 1931.

In fact, the tariff articles of the treaty effect such a large number of items in the Tariff Act, that it has been doubtful if the officials could rush the bill through in time for the early weeks of the session. It is reported, however, that good progress is being made, and that the tariff amendment probably will be ready by the time the earlier business of the session has been disposed of.

But while the complete detail of the Anglo-Canadian agreement will be in the hands of the public within a few days, publication of the other trade agreements reached at Ottawa may be delayed. Enquiry here reveals the interesting information that no general agreement was reached at the Conference as to when all the treaties would be published. Instead of coming to a general agreement, the delegates decided that each Dominion should make a separate arrangement with the British delegates.

Antipodes Now Meeting

It is understood, however, that the British treaties with New Zealand and Australia will be issued very soon, probably on or about the same date as the Anglo-Canadian agreement is tabled in Parliament. The parliaments of both the Antipodean Dominions are now in session and it is the intention of both the Australian and New Zealand governments to ratify these agreements forthwith.

The Anglo-South African agreement probably will be made public in the near future. In South Africa the position is somewhat different, since the law in that Dominion enables a trade treaty to be ratified by an order-in-council instead of by a statute. The Anglo-Newfoundland agreement also should be issued very soon, and be ratified before the close of the year.

The longest delay, with any of these pacts, will probably occur in India. The Indian constitution compels the central government to introduce legislation in the Indian Parliament ratifying any trade agreement. The Indian winter is now about over and the legislature may not meet for some time.

As regards the bi-lateral treaties entered into by Canada with the other Dominions, these will be tabled in Parliament at or about the same time as the Anglo-Canadian agreement.

Lubricating Oils for Sale By Chain Store Companies

Dominion Stores Add New Line — Atlantic & Pacific Tea May Follow—Canadian Oil Companies Rely on Service as Best Drawing Card

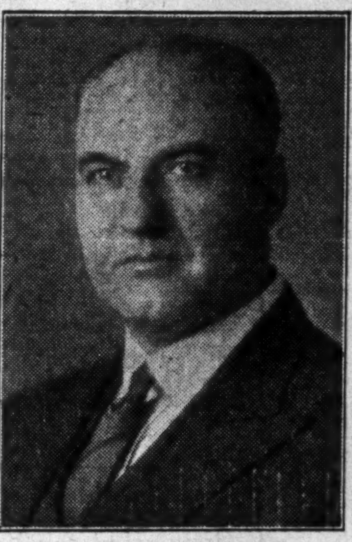
Chain store companies are adding to their line lubricating oils, which in the past have been among the most lucrative of commodities sold by service stations. Dominion Stores has officially announced that it will sell lubricating oil through its 550 units in Ontario and the Maritime Provinces, and Atlantic & Pacific Tea Co. is also reported to be considering entering upon this line. At the outset it is the intention to undersell competing oils made in Canada but it is not expected that for a time there will be more than a limited range offered.

The first lubricating oils for use in cylinders and crankcases will be in six-quart containers and it is stated that it will be a heavy, high-grade oil, only this grade being offered at first. Such a business has been done by chain grocery stores for some time in the United States. As this development may make added competition of an important character to Canadian oils it has been suggested that Canadian oil companies should make hardware companies a more important outlet for their oils. At present Canadian oil companies sell both to service stations and dealers.

In this connection it may be noted that service stations have also been widening their former spheres. Imperial Oil led the way by adding Atlas tires to the goods obtainable at its own service stations, and some of these are widening out to include a wide variety of services to motor car owners. Service stations still have a great advantage in that they have a great variety of oils and provide service which is important: for instance, chain stores cannot change the oil when required.

Canadian oil companies apparently are not disposed to change their policy in any particular because of the new competition. It is stated that giving proper lubrication to a motor car these days is an engineering proposition, that each type of car requires a certain grade of oil which changes according to the season. An effort has been made of late to prevent the introduction into Canada of an evil which in the United States gave worry to the larger companies. Coincident with the bootlegging of gasoline induced by high state taxes on gasoline, fly-by-night operators and others would substitute inferior motor oils at a low price for better grades. No attention was paid to individual needs of cars and the need of accurately deciding grade, weight, degree of viscosity, freedom from sludging for various types of cars. All these things can only be obtained from a high grade oil carefully refined, but the reputation of the latter was hurt by substitutions of this kind.

Joins H. R. Bain



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LAURA SECORD EARNINGS KEPT AT HIGH LEVEL

(Continued from page 1)

year due to economic and weather conditions. The maintenance of earnings by the company shows a most favorable comparison with the record of similar candy chains operating in the United States.

The company has discontinued its former practice of publishing monthly sales but gives a quarterly balance sheet which during the past year has shown substantial improvement in working capital position. At June 30, 1932, current assets amounted to $1,451,440 and current liabilities only $39,449, an exceptionally fine ratio of 36.79 to 1. Due to the nature of the business inventories are very low and current assets consist almost entirely of cash and bonds.

The company has no funded debt and but 57,500 shares of stock outstanding. The stock, listed on the Toronto Stock Exchange, has been traded in a comparatively narrow range in the past two years considering the substantial fluctuation in prices of most securities. Currently selling at 39 the range has been from $40 to $28 in 1932 and $46 to $33 in 1931.

Capel Tilt of Winnipeg Heads Lake Shippers

Capel Tilt was re-elected president of the Lake Shippers' Clearance Association at their annual meeting held in Winnipeg on September 28.

Other officers and directors of the Association elected at that time are: H. T. Swart, vice-president; S. T. Smith, secretary; C. C. Fields, treasurer; J. A. Richardson, W. C. Folliot, J. A. Crowe and L. H. Wolvin, directors.

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Position of Chartered Banks of Canada as of August 31, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	33,136,206	10,286,517	....	4,238,740	123 167,965	393,196,994	62,204,774	2,822,341	872,148	9,077,669	535,373
Nova Scotia	11,205,658	1,362,560	....	5,531,639	32,218,398	127,531,014	33,036,772	2,413,843	226,820	1,839,721	197,852
Toronto	5,833,699	615,738	....	1,904,557	20,862,762	59,620,004	....	395,230	61,853	1,072,695	104,625
Provinciale	3,566,707	439,040		33,630	4,083,847	31,878,784	....	137	....	41,444	....
Commerce	22,655,851	1,227,070	1,000,000	6,045,856	103,676,274	282,377,143	39,155,011	1,616,033	762,767	10,753,378	25,973
Royal	28,946,936	2,419,118	12,000,000	8,078,256	124,397,191	259,409,871	169,167,567	566,960	276,007	23,088,761	609,580
Dominion	6,004,315	713,456	2,500,000	1,342,979	24,163,460	60,497,611	1,657,324	564,498	67,172	1,030,219	....
Nationale	8,453,699	960,441	13,500,000	1,559,695	17,368,069	80,605,446	1,330,161	668,028	16,837	177,204	....
Imperial	7,727,870	856,282	....	3,573,602	24,479,518	70,710,339	....	1,586,903	83,058	1,245,289	....
Barclays (Canada)	243,885	159,986	....	....	942,977	719,392	....	218,597	2,128,786	1,270,419	....
Total	127,774,826	19,040,208	29,000,000	32,308,954	475,360,461	1,366,546,598	306,551,609	10,852,570	4,495,448	49,596,799	1,473,403

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners*	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	8,147,216	1,557,572	912,117	38,000,000	36,000,000	724,155,637	50,000,000	36,000,000	10	3,211,947	19,531,498	57,972,077	35,225,722
Nova Scotia	4,458,088	118,464	7,456	24,000,000	12,000,000	256,148,291	15,000,000	12,000,000	14	2,773,617	9,699,509	12,215,497	11,913,707
Toronto	630,935	146,472	151,684	9,000,000	6,000,000	106,400,257	10,000,000	6,000,000	10	1,435,197	381,560	5,097,100	6,260,934
Provinciale	19,405	24,320	95,064	1,500,000	4,000,000	45,682,381	5,000,000	4,000,000	9	649,839	244,056	409,636	3,939,487
Commerce	12,623,923	....	759,134	30,000,000	30,000,000	542,678,418	50,000,000	30,000,000	10	6,557,402	11,194,000	9,972,000	24,277,600
Royal	20,530,320	103,416	895,263	35,000,000	35,000,000	720,489,252	50,000,000	35,000,000	10	3,326,125	12,225,486	9,826,008	30,684,078
Dominion	1,060,507	186,134	2,210	9,000,000	7,000,000	115,789,890	10,000,000	7,000,000	10	1,483,664	621,000	2,547,000	6,475,305
Nationale	406,213	....	178,935	7,000 000	7,000,000	139,224,732	10,000,000	7,000,000	10	471,036	977,603	1,494,220	8,965,259
Imperial	554,983	....	6,080	8,000,000	7,000,000	125,823,928	10,000,000	7,000,000	12	482,316	461,914	3,402,581	8,267,510
Barclays (Canada)	10,110	....	....	500,000	500,000	6,694,155	500,000	500,000	......	....	12,080	113,145	272,485
Total	48,441,700	2,136,378	3,007,943	162,000,000	144,500,000	2,783,086,941	210,500,000	144,500,000	......	20,391,143	55,348,706	103,649,264	136,282,087

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	19,859,535	61,048,302	2,632,722	376,747	19,590,778	....	1,292,894	13,933,248	185,460,812	46,456,915	8,309,976	4,187,835	29,586,150
Nova Scotia	9,776,229	7,099,947	764,438	1,359,948	6,256,914	....	826,207	10,991,126	38,766,155	17,752,042	7,921,205	14,333,154	4,494,733
Toronto	401,251	5,591,317	411,285	27,980	4,133,486	....	384,842	1,793,673	25,988,292	7,636,612	1,453,205	4,581,264	....
Provinciale	262,936	365,528	443,315	28,040	1,236,554	584,098	2,466	118,832	8,546,714	4,554,329	3,527,025	5,101,402	....
Commerce†	10,711,198	10,359,392	1,783,275	629,944	14,958,500	18,083	790,598	19,539,838	93,064,616	31,158,869	14,192,908	32,495,100	23,855,313
Royal‡	12,522,603	21,280,281	2,292,929	13,978,993	17,181,134	3,003	1,902,060	48,373,475	74,296,216	24,607,777	11,612,578	30,874,351	35,538,716
Dominion	629,114	3,449,959	635,330	57,039	3,656,514	....	107,580	1,264,491	21,289,190	5,389,351	2,806,816	9,655,958	1,916,717
Nationale§	1,007,784	1,481,286	774,415	66,367	3,449,119	575,313	78,745	800,422	23,505,991	12,314,130	3,279,140	6,927,671	....
Imperial	505,176	4,528,810	668,040	38,172	5,559,774	610,815	1,185,106	1,056,874	23,176,291	5,155,660	258,350	5,892,683	1,000,000
Barclays (Canada)	12,020	76,250	10,845	435	138,053	1,572,678	2,242,943	265,634	480,547	121,241	30,850	23,000	....
Total	55,687,846	115,281,072	10,416,594	16,563,665	76,160,826	3,363,990	8,813,441	98,137,613	494,574,824	155,146,926	53,392,053	114,072,418	96,391,629

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves°	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	239,360,381	16,876,912	5,287,127	37,491,360	4,216,008	415,865	1,260,416	14,500,000	8,147,216	1,542,872	5,000,000	255,853	79,603	727,169,539
Nova Scotia	95,748,371	12,342,466	204,125	10,053,965	881,379	....	111,274	8,194,224	4,458,088	560,400	1,500,000	2,779,599	110,057	257,286,055
Toronto	44,025,871	....	....	4,796,773	291,265	....	63,621	3,830,501	630,935	306,603	930,866	....	....	107,279,649
Provinciale	16,377,606	....	....	1,387,126	141,391	605,212	387,571	2,195,396	19,405	198,623	....	....	189,532	46,273,108
Commerce†	185,488,653	17,715,271	8,045,350	33,011,296	2,564,671	2,470,182	2,031,068	15,223,753	12,623,923	1,250,000	8,000,000	3,941,522	307,553	546,230,837
Royal‡	250,327,636	111,184,723	1,688 293	13,168,667	3,828,532	2,420,263	865,454	17,810,549	20,530,320	1,600,000	2,500,000	5,909,709	429,187	726,727,549
Dominion	54,967,439	788,650	....	1,554,608	476,550	72,685	22,993	6,027,852	1,060,507	320,000	400,000	....	36,129	116,585,480
Nationale§	59,140,096	135,623	3,633,815	12,068,346	316,251	1,211,099	781,285	5,935,755	406,213	366,773	2,000,000	....	93,196	140,348,846
Imperial	56,917,677	....	552,788	10,135,829	397,486	170,721	484,663	6,338,733	554,983	427,282	1,500,866	....	158,718	127,275,507
Barclays (Canada)	1,664,642	....	....	....	41,394	....	....	....	10,110	14,365	....	....	....	6,705,012
Total	1,004,018,372	159,043,645	19,411,498	123,667;970	13,154,927	7,365,977	6,008,345	80,056,763	48,441,700	6,586,918	21,831,732	12,886,773	1,403,975	2,891,881,582

°Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

SECOND SECTION

THE FINANCIAL POST

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FOURTH QUARTER BUSINESS IS QUIET IN NEWFOUNDLAND

Unsettlement in Foreign Markets is Chief Disturbing Factor

REVENUES LOW

Increased Output at Buchan's Mines is Most Encouraging Factor Just Now

As Newfoundland faces the fourth quarter of 1932, business conditions continue unsatisfactory due to the uncertainty prevailing in foreign markets where Newfoundland's major commodity, cod fish, must be sold, according to reports received by The Financial Post.

Detailed returns from the year's catch are not yet available, but the shore and Labrador cod fisheries were considerably better than last year with the prospects appearing good for a fine fall catch. Although domestic prices opened at about the same level as a year ago the continued uncertainty in foreign markets where Newfoundland must market its fish, has been a discouraging factor and current prices are not expected to hold. All of last year's fish was disposed of before the new fish reached the market but domestic difficulties in all countries where Newfoundland ordinarily markets its cod fish, indicate low and uncertain price levels for the future, it is said.

Brazil Outlook Discouraging

Particularly discouraging is the situation in Brazil. Normally Newfoundland exports to that country between $2,500,000 and $3,000,000 of dried cod fish but this year although the difficulties of selling have been somewhat reduced, the Government control of exchange in that country is restricting the export of funds with a consequent delay of payment. Representations, it is understood, have been made to the Brazilian Government through the British Minister of Foreign Affairs, to obtain preferential treatment on Newfoundland cod fish but the results of these negotiations are not yet known.

Another serious problem which faces the colony in the fourth quarter is the country's financial affairs. Although the new Government which took office on July 1 last has tackled the problems in all seriousness, the situation has been made increasingly difficult by reason of the steady and unexpected decline in revenue. Drastic economies have been planned and new sources of revenue announced, but a balanced budget and a satisfactory fiscal position are dependent on these new revenues in very large degree, on the volume of imports and the general state of business in the colony. To date the result, it is understood, has not been up to expectations. Although very serious, the problem is not thought to be hopeless.

Business Failures Increase

As to business conditions generally the third quarter found conditions slow and difficult throughout most parts of the country. Cash trading particularly has been quiet but a considerable barter business has developed generally in the past month. No effect has been felt as yet from the concessions, chiefly from England, which were arranged at the Imperial Conference but some benefit is expected in the near future. The record of business failures for the first three quarters of 1932, with corresponding figures for 1931, is as follows:

Commercial Failures in Newfoundland

	Assets $	Liabilities $
1932		
1st quarter	777,067	999,632
2nd quarter	37,840	200,223
3rd quarter	85,000	243,000
1931		
1st quarter	95,040	160,222
2nd quarter	27,463	40,351
3rd quarter	95,000	169,000

In other fields of activity business remains quiet with little change from earlier in the year. About 250,000 gallons of cod liver oil were manufactured this year, the price ranging from 40 to 60 cents a gallon. Owing to strong competition from outside, principally Norway, the demand has not been good but little difficulty is anticipated in disposing of the entire season's stock. A large percentage of it has already been marketed. The salmon catch was below last year with prices to the fishermen averaging around 4c. a pound or about 1c. below 1931 levels. Stocks are said to be moving slowly with demand only fair.

In pulp and paper the Grand Falls Mills are working to capacity but at Corner Brook there has been curtailment to some extent, the mill only operating four or five days alternate weeks.

Buchans Remains Busy

Mining operations have also been considerably below normal, the Bell Island iron mines working on a very reduced scale with only two mines operating two days per week. The following figures showing ore mined and shipped in the first eight months of the past three years shows the drastic curtailment which has taken place in that time.

Operations at Bell Island Mines (Jan. 1 to Aug. 31 inclusive)

	Ore mined	Ore shipped
1930	985,288 tons	839,535 tons
1931	446,720 tons	446,720 tons
1932	223,200 tons	223,200 tons

The lead-zinc mines at Buchan's have been operating on a reduced basis for some time but recently increased their output and are now shipping 2,500 tons weekly.

Tourist trade during the year was also disappointing the number of visitors being considerably below last year's figures.

Local manufacturing at St. John's is for the most part operating on full time although clothing firms are working around only about 1/3 capacity. The cordage plant at St. John's is operating at about 50 per cent of capacity.

The blueberry pack is about the same as in 1931 namely between 30 to 35 thousand boxes while prices to the pickers are the same namely 10c. a gallon. The market this year, however, is weak and packers are buying only to supply orders. The balance of last year's pack was sold only recently.

Finds Russian Farmer Contented With Position

Collective Farms Give Peasants Chance to Share in General Gains — Larger Acreages Brought Under Cultivation

By THORNTON PURKIS

If there are any healthier, happier people working on farms in Canada than those that I saw working on collective farms in Russia I should like to meet with them.

The first type of co-operative or collective farms that I visited was a huge vegetable and fruit . . . mainly truck . . . farm. When the car, in which I was riding with my interpreter, drew alongside a collection of small farm houses I saw, some distance off, a tall bearded fellow coming toward us. At a distance he looked as though he might have been 70 but when we came to close quarters the large mass of dark wavy hair and full beard framed a pair of sparkling eyes and a fresh suntanned complexion. My interpreter hardly had time to explain that I came from Toronto, Canada, when he interjected: "How are things in Toronto?"

Thornton Purkis

I was dumbfounded. "What do you know about Toronto?" I answered. "I worked on a farm near Guelph," he answered, "and I have two brothers—one farming in Lambton County and the other in the Peace River country."

Management of Farms

I asked him what he was doing back in Russia. He answered: "I returned to join my regiment shortly after the war broke out and I've never felt any desire to go back since."

"How do you like the new régime?" I asked. "Not bad. I find the work very interesting."

He was, I subsequently learned, what might be called the general manager of that particular co-operative farm. There were about 400 farmers or communal owners in his district. With their wives and children, they were out in the fields.

Their system of communal operation is simple. The 400 farmers had elected, from among themselves, a group of eight, a kind of board of directors. These eight men had elected my guide as general manager. He was the executive brain of the whole show. His eight directors were like heads of departments. He showed me a chart on which there was plotted out the different areas showing the crops growing on each division. The chart also illustrated a plan for artificial irrigation.

How He Learned English

In walking with him over three or four miles of side paths, I noticed pipe lines and a small pumping station. These pipe lines conveyed water from a near-by river and permitted the watering of such crops as needed water other than that provided by rain.

The general manager was a most jovial chap about 45 years of age. Although his English was faulty it was quite evident that he was immensely pleased to meet somebody from Canada. Curiously enough he told me that he would like to have a Canadian mail order catalogue. "What good would that do you here?" I asked. "I learned a lot of English from it," he answered. "The first things I bought in Canada I bought from a mail order catalogue." He was a native of the Ukraine and had come to Canada as a young man in 1907 and had gone out West. Then he came East.

Busy at Lunch Hour

By the time we had walked around for about two hours it was near lunch time, so we pointed ourselves toward an enormous though rather dilapidated barn.. There we found hundreds of men, women and children busily eating. There were huge coppers or cauldrons from which a kind of stew was being ladled out. At long wooden tables, with equally long benches, everybody, to the din of shrill chatter, was tucking in to his mid-day meal; among them, my friend's wife and two children. All three spoke a little English and were glad to air their knowledge of it.

There were cucumbers in a big pan. I asked if I might have one as I was thirsty. As I peeled the cucumber I noticed that the lad, about 14 years of age, took a lively interest in my pocket knife. He didn't ask for it but I said to his father: "May I give it to him?" His father nodded and I gave it to him; and it was there that I learned my first word of Russian. The English equivalent sounded like "posseeba." It meant "thank you."

No Socks or Stockings

The pocket knife, which happened to be of a good Sheffield make with blades, scissors, nail file and corkscrew, created lively interest. The peasants were also tremendously interested in my knickerbocker suit and stockings. They came up to feel the cloth as well as the wool of the stockings. Most of the women workers didn't wear stockings, neither did the men wear socks. All of them had shoes, although in Lithuania I saw a great many peasants working in the fields in their bare feet. The peasants were just like the people one sees in the farming districts of Northern Ontario and the Peace River country. They were, as far as I could judge, a simple, happy and healthy lot brimming over with an animal-like vitality.

On this farm there were several big unpainted wooden buildings. In these buildings were housed several hundred young lads and girls who were learning to be instructors in agriculture. Many of them were away on a short educational vacation, visiting and working on farms in different districts.

Attached to the farm there was a nursery or crêche in charge of a cultured woman who had about eight assistants. These women were looking after the very young babies and smaller children of women who were working on the farm.

The supervisor took me into the house and showed the play rooms where the children played when it was raining. She opened cabinets containing elementary medical and sanitary supplies and showed me toys which they gave to the children. The kitchen, where the food was cooked, and the cupboards, where the dishes were kept, were very clean. Each child had its own mug and plate numbered. Some of the youngsters, who had followed us into the house, eagerly pointed out their cups and plates. The windows hadn't wire screens but were covered with scrim netting. So were the swing doors. In another room there were posters all around the wall showing women how to hold their babies, how to nurse them properly, the kind of small articles to keep away from a baby—pins, thimbles, etc.; charts showing how much babies should weigh at certain ages, pictures showing how to keep their nails trimmed and clean, and instruction charts showing the caloric value of various kinds of food.

Each Farm Has Book Stores

Then, of course, there was the book store. This little hut contained all kinds of pamphlets dealing with rotation of crops, instructions concerning care of cattle, advice on fertilization, irrigation, destruction of insect pests and, I presume, many other things which people who work on large truck and fruit farms need to know. I bought a number of these pamphlets, all of which were illustrated, I cannot read them but the pictures tell the story.

Plenty of Housing Space

On this particular farm there were several acres of greenhouses with grapes, tomatoes, fruits, flowers, and everything else one would expect to find in a modern layout of greenhouses. Farmers and their families lived in the near-by villages. Housing space is not as scarce in the rural districts as it is in the cities. Such small huts or cottages as I saw nearly all had little plots of ground in which there was a profusion of flowers.

The way the co-operative or collective farm is run is as follows: As the crops are gathered a percentage, varying from 15 per cent to 20 per cent according to the total yield is divided pro rata among those working the farm for their own consumption. About 60 per cent is sold at the current market price to the trust or co-operative store in the nearest city. The money received is divided among the members. The remaining 20 per cent is taken in to villages and towns and sold in the "free market." There is still a great deal of private trading in farm and dairy produce. I was in one town on market day and there was the same bartering and noise that you find on market day in any country town in Ontario.

Crazy About Machinery

What I have said about small co-operative truck farms applies to the way in which the big collective farms are operated, except that on the big farms there has been a great deal more accomplished along the lines of "mechanization."

The Russians have gone crazy over mechanics. They worship machines.

The sanitary condition of the villages is not good; neither is the food and drink very palatable. The older generation of Russians are still filthy in their habits and appearance and it will be several generations before they become educated up to cleaner standards.

The average peasant works with a hope and a cheerfulness that was not present before. He "belongs," as we should say. He is no longer in bondage to the Kulak.

One View of "Kulak"

The Kulak is not loved by the average peasant. Kulak means in English—"fist." The Kulak is generally the village money-lender. By his practices he managed to get many of the peasants in his neighborhood into debt to him. Then he squeezed them. The Kulak has fought vigorously against collectivization. The rank and file of Russian farmers are happy to be relieved from the squeeze of the "fist."

The village churches, and priests, still function just the same as the churches function in the towns and cities. But the priests have no civil rights. They are dependent solely upon voluntary contributions in cash or in kind. Apropos of this I might say that earnest members of the Society of Friends (Quakers) and Baptists are securing a great many adherents. No Communist will avow himself as a Christian or as a member of any other religious faith. But the Communists (or party workers) are in a minority. They run things in the sense that they hold down most of the government jobs. The nearest parallel I can think of is to compare the political strength and influence of the Communists with that of the political strength and influence of the Orange Order in Toronto. I suppose that Orangemen are in a great minority in Toronto but to hold down a municipal job it is desirable, even if not absolutely necessary, to be an Orangeman.

No Land Wasted

One thing that impressed me was the intensive cultivation of the land. It is sown right up to the edge of the railroad tracks. Tens of millions of acres which were previously allowed to lie fallow have been put under cultivation by State Farms.

The State Farm differs from the Collective Farm. The Collective may have been formed by the collectivization of a lot of little farms. The big State Farms are gigantic enterprises organized to put under cultivation great tracks of virgin soil. The workers on the State Farms are paid wages just the same as industrial workers. Their wages do not depend upon the value of the crop.

The communal idea is not new to the Russian, or at least that is my understanding of the matter. Prior to the Revolution I was told that many villagers operated their farms on a community basis. The important thing is, that there has been a monumental increase in the amount of grain, dairy produce and vegetable truck raised under the Collective and State Farm systems. There is, this year, a shortage of grain and other produce in many districts due to drought. In the Ukraine, for instance, I was told by a professor of agriculture whom I met while travelling to Kiev, that the 1932 wheat crop might be nearly two hundred million bushels short of normal.

Size of Collective Farms

The following figures are instructive and have been taken from the proceedings of the Amsterdam Congress.

In 1927, prior to collectivization, there were 24,800,000 farms averaging 4.4 hectares. In 1931, 226 collective farms had sown 88,900,000 hectares. Collectives now farm an area as large as half that of the cultivated area of the United States. From 1927 to 1931 the cultivated area in the Soviet Union increased by 23,000,000 hectares. In the same period the cultivated area of the world declined by about 25,000,000 hectares. In the 25 years from 1900 to 1925 the sown area of the United States increased by 22,000,000 hectares whereas in four years—from 1927 to 1931—the sown area of the U. S. S. R. increased by 23,000,000 hectares. Growth is between five and six times faster in Russia than it is in United States.

Rapid progress has been made in cotton growing. In 1927 Russia reached its pre-war level of 751,000 hectares. In 1931 2,357,000 hectares were planted. No wonder the Southern cotton grower is worrying and no wonder the Liverpool broker is playing off Russia against the Southern States. They haven't forgotten how the Southern planters held them up for famine prices in 1916-1918. In 1927 the U. S. S. R. reached pre-war production of sugar beets — 665,000 hectares. In 1931 they planted 3,370,000 hectares. Russians chew sunflower seeds in the same way that people in North America chew peanuts and gum. In 1913 the pre-war production of sunflower seeds was 900,000 hectares. In 1931 it was 4,931,000 hectares.

Rapid strides are being made in the growth of soya beans. We, in Canada, don't know what the soya bean is, but the Japanese and the Chinese couldn't live without it. It is both meat and drink to them, something like the English working man's beer.

In 1924 there were only 2,560 tractors in use with a total capacity of 35,600 h.p. In 1931 there were 110,000 tractors with a corresponding increase in h.p. Production of alkali fertilizer has increased ten times within the past few years.

Despite what the rest of the world thinks to the contrary, the Russians seem to be very well satisfied with their agricultural progress under the Five Year Plan.

DOM. SQUARE FAILS TO MEET BOND INTEREST

Efforts to be Made to Pay Within 30 Days

From Our Own Correspondent

MONTREAL.—Interest due October 1, on $5,000,000 of six per cent first mortgage bonds of Dominion Square Corp. has not been paid. Under the terms of the trust deed, the company is allowed a period of 30 days grace in which to meet this obligation. Meetings to be held in the near future will discuss ways and means of enabling the company to meet the payment. At the time of the original offering of first mortgage bonds in 1928, it was stated that the actual investment in the property would amount to $7,750,000. Due to subsequent additions and charges, additional money was necessary for the construction fund, and about $650,000 was attained in new capital.

Accordingly, the total valuation on the amount invested basis totalled $8,400,000, thus showing an equity of $3,400,000 over and above the first mortgage bonds outstanding in the hands of the public.

Comprises Large Property

Dominion Square Building is one of the most pretentious commercial buildings erected in Montreal in recent years. Situated at the corner of Peel and St. Catherine St. completion was effected in 1930. Original capitalization comprised $5,000,000,000 of first mortgage bonds which were sold at par to yield six per cent. In addition, there were $500,000 of second mortgage six per cent bonds; $1,551,000 of six per cent debentures; $1,000,000 of preferred and 50,000 shares of no par common.

With the introduction of additional capital in the project, following difficulties encountered, it was necessary to alter the capitalization. Accordingly, in addition to the first mortgage bonds, there are now outstanding $1,293,000 of six and a half per cent second mortgage bonds, series "A" and $1,678,000 of similar bonds, series "B." Preferred and common stock remains unchanged. None of the second mortgage bonds are in the hands of the public.

It is understood that no interest has been paid on the second mortgages. Rentals at the moment are about 51 per cent of capacity.

DIVIDEND EARNED BY UNITED BOND IN FISCAL YEAR

Disbursement of 75 Cents Paid on Capital Stock in Period

From Our Own Correspondent

MONTREAL. — Earnings of United Bond and Share, Ltd., successor to United Bond and Share Corp. were sufficient to cover disbursements made on the capital stock in the fiscal year ended September 30, 1932. The last financial statement published by the predecessor company covered the year ended December 31, 1930; earnings of the new organization in the twelve months ended September 30, 1932, were slightly lower than those shown in the last income account.

Value of the company's investment portfolio has been well maintained. It is understood that the balance sheet is likely to show market value of investments in excess of cost; a reflection of market activity since the formation of the present company.

Capital Stock Only

United Bond and Share, an investment trust of the management type has what is thought to be a unique feature in capital structures of this kind of company. Securities outstanding comprise common stock of no par value only; there is no preferred and no funded debt.

Structure of the old company comprised $588,950 of 6 per cent, $50 par value, preferred stock; 7,635 shares of class "A" and 24,450 shares of class "B." In November 1931, anticipating a decline in revenue which would preclude continuation of the 6 per cent preferred dividend, directors evolved a plan of reorganization.

Two Shares For One

Under the plan, one old preferred share received two new no par common shares. For each five shares of class "A" there was given one common share and for each five shares of "B" there was issued one new management share. Management shares do not participate in profits but will be converted into common, share for share, if the net worth of each issued share reaches $34.

With this new capitalization dividends were maintained. Three quarterly payments of 20 cents and one of 15 cents were made on the capital stock last year, a total disbursement of 75 cents. Since preferred shareholders received two new shares in exchange for one old, their income has been cut from previous levels of 6 per cent or $3 annually, to last year's payment of $1.50.

Contracts Awarded Drop in September

Construction contracts awarded during September were less in every group compared with the previous month, according to MacLean Building Reports Ltd. Residential and engineering construction was only slightly below the August figure and business building held up well but factories declined to a new low for the year.

Total value of contracts awarded during the month was $9,646,500, compared with nearly $34 millions in September, 1931. Ontario is credited with $4,691,000 in September, 1932, or 48.6 per cent of the total, Quebec with $3,474,900 or 36 per cent, the Prairie Province with $643,900, British Columbia with $492,700 and the Maritimes with $344,000.

Engineering accounted for more than half of the September total with $4,885,900, residential and business buildings are next with 23.6 per cent each valued at $2,276,900 and $2,276,200 respectively. Industrial amounted to 2.1 per cent or $207,500.

The chief award in September was in Toronto for the water purification plant, the total being $1,288,500.

August Chain Store Sales Drop 10 Per Cent from July

The general index of retail sales compiled by the Dominion Bureau of Statistics dropped from 82 in July to 74.1 in August, five of the groups showing increased sales and six decreased sales. These index numbers are on a base of January, 1929 equals 100 but no correction has been made for seasonal influences or price changes. The index numbers are based on returns from 83 chains, comprising approximately 2,700 stores, and 25 departmental stores.

Furniture and music and radio sales showed the largest percentage increase from the previous month but those two groups were the lowest compared with January, 1929. Index numbers of individual groups behaved as follows:

Drug sales rose from 79.0 to 79.6; furniture from 32.7 to 44.9; hardware from 89.2 to 93.7; music and radio from 15.9 to 22.1; restaurant sales from 63.9 to 65.6.

Boots and shoes dropped from 83.7 to 58.1; candy from 70.9 to 69.2; clothing from 69.1 to 52.7; dyers and cleaners from 93.2 to 92.2; general and departmental from 88.0 to 81.6; groceries and meats from 86.7 to 75.6.

New Exchange Member

J. R. BALLANTYNE

Who has been elected to membership on the Montreal Stock Exchange.

Avers Wheat Preference Is of Value to Canada

Detailed Argument Set Forth Why Canada Should Benefit from 6-cent Wheat Preference in U. K. Market

By H. G. L. STRANGE
Director, Research Department Searle Grain Co.

The Searle Grain Co. is of the opinion that the preference granted, at the recent Imperial Conference, to Empire wheat of 6 cents a bushel over foreign wheats entering Great Britain, will be of substantial benefit to the Canadian wheat producer. The reasons for this belief follow:

The total world's market for export wheat and wheat exported as flour is about 750 million bushels per annum, of which amount Great Britain, the largest single importer, purchases approximately 220 million bushels, or roughly 30 per cent of the world's total importation. Thus it will be seen that no less than 70 per cent of the world's import market lies outside of Great Britain. Apart from Russia and China the world produces and consumes approximately 3,500 million bushels of wheat per annum. It will be seen, therefore, that the world's price of wheat is probably influenced more by the wheat produced and consumed outside of Great Britain than by the wheat consumed in that country, although trade opinion is that the Liverpool market reflects these total world values.

Under these circumstances it would seem correct to contend that what is termed "the world's price" will be a direct reflection of the supply and demand of that great bulk of wheat which is bought and sold for consumption in countries other than Great Britain. If this is true it follows necessarily that Russian, Argentine and American wheat offered for sale in Great Britain will be at the same price that wheat is offered for sale on the world's markets other than the British.

Canadian Wheat Best Buy

At the Imperial Conference it was agreed that a duty of 6 cents a bushel be imposed on all foreign wheats entering Great Britain. This may obligate the British miller and finally the British consumer of bread to absorb at least a portion of the 6 cents a bushel duty, so that the actual price to the British miller of foreign wheats will be the world's price, plus such proportion of the 6 cents per bushel duty that the seller of foreign wheat will not absorb.

Canadian wheat will not bear this duty and is reputedly better in quality than foreign wheats, so if offered to the British miller on a price basis that would reasonably well take into account the intrinsic value of Canadian wheat relative to foreign wheats, it should be purchased by the British miller in preference to those foreign wheats, because its outstanding quality would make it a better purchase. In effect this will then result in Canadian wheat commanding, on the British market, a price basis world's values at all times; and at other times perhaps 6 cents per bushel additional, which amount the seller on foreign wheats, on some occasions, may be ready to sacrifice in order to market foreign wheats in Great Britain.

Canadian Wheat in U. K.

The average amount of Canadian wheat and flour purchased by Great Britain for her own use is difficult to calculate with any degree of accuracy, but it probably varies between 65 and 100 million bushels per annum, in different years, so that an estimated average of about 75 million bushels a year, in the form of wheat and wheat flour, would probably not be far out.

Canada's average export of wheat and flour for the past ten years has been some 280 million bushels per annum, so that Canada has been selling about 27 per cent of her total export wheat to Great Britain and 73 per cent to markets other than the British.

Should Canada achieve all or any portion of the 6 cents a bushel premium over the price obtained by foreign wheats sold on the British market, it will be seen that this would only affect 27 per cent of Canada's total export wheat. Under existing marketing methods and grain trade competition this extra value would be reflected back to the Canadian wheat producer and would be spread over all the bushels he offers for sale at country elevators.

Would Increase Demand

The company is also of the opinion that Canada can increase her percentage of sales on the British market by offering our wheat under the duty paid price of foreign wheats. This would have the effect of inducing the British miller to increase the per cent of Canadian wheat in his mix. Now the British people pay a good deal of attention to the quality and palatability of their food, particularly bread. It would seem therefore to be fair to assume, that an increase of Canadian wheat in the British loaf, because it would thus become more palatable, would develop a greater liking for bread containing more Canadian wheat. This in turn again would no doubt, through the forces of competition, induce the British miller to increase still further the per cent of Canadian wheat.

The British people, once they have acquired a taste for higher

(Continued on page 15)

GENERAL BROCK BOND INTEREST NOW IN ARREARS

Bondholders May Take Action to Foreclose in Near Future

ASK RECEIVERSHIP

Shareholders Are to Meet October 7; Cash on Hand Needed For Lean Months

Failure of General Brock Hotel Co. to meet interest and sinking fund payments due October 1 on its 6 per cent first mortgage bonds promises to bring early action by large bondholders to protect their rights and a special general meeting of shareholders of the company has been called for October 7 to consider generally the financial position of the company and to authorize any action in connection with the company's affairs which may be considered necessary or advisable. The company has 30 days in which to correct the default.

W. A. Mackenzie, of W. A. Mackenzie & Co., which sold the bonds to the public in 1928, informed The Financial Post that he is taking immediate action on behalf of bondholders to foreclose and is seeking the appointment of a receiver for the company. Mr. Mackenzie states that in his opinion there is no prospect of bondholders losing either principal or interest and if the company cannot operate the hotel at a profit the property should be turned over to the bondholders. Mr. Mackenzie estimates that the company can earn interest charges with some margin to spare within two years and that the property could be sold for $1,700,000.

Loss is Greater

Operation of the hotel, which is located at Niagara Falls, Ont., has shown a substantial reduction in gross revenue during the current year, but net revenues have not fallen off to the same extent. In the year ended Dec. 31, 1931, the company had a net loss after depreciation but before bond interest of $23,894 which compared with the corresponding loss of $6,289 in 1930. Bond interest amounted to $60,000 in both 1930 and 1931. Within the last 12 months, some $78,000 of the bonds have been retired through sinking fund. This leaves $922,000 outstanding.

During the past year, it is stated, a substantial amount of new money has been put into the company, more than sufficient to offset the deficit of $147,130 carried at Dec. 31, 1931. At the present time, it is understood that the company has sufficient cash on hand to meet bond interest payments due October 1, but earnings are at a low level during the winter months and the

(Continued on page 15)

Announcing

THE MONTHLY INVESTOR'S BOND

THE London Life takes pleasure in announcing an important extension of its service. It has perfected and offers a new plan to monthly investors --- an investment as secure as the London Life's financial position itself --- the Monthly Investor's Bond.

It is designed for men and women who can save regularly—at least $25.00 a month—and will appeal both to those who cannot afford to "take chances," and to those who want to have a guaranteed minimum income to fall back upon for retirement in case their other ventures should fail them.

Annual dividends on the London Life's high scale make this an exceptionally attractive investment.

Furthermore, the Monthly Investor's Bond can be insured, so that in the event of your death before the Bond would ordinarily mature, it would become payable in full immediately to whomsoever you have directed.

If you have been waiting for some institution to offer an investment like this, get full particulars from any London Life representative or from your nearest Branch Office.

Established 1874

London Life Insurance Company

"Canada's Industrial-Ordinary Company"

HEAD OFFICE - LONDON, CANADA

Insurance for Buyer and Seller

SAYS HIGHER RATIO LIQUID SECURITIES WILL BE ESSENTIAL

President of American Life Convention Peeps Into Future

STABILITY STRESSED

Delegates to Big Toronto Conclave Hear Leading Life Men of Continent

That life insurance companies in the past had put too much emphasis on cash surrender values and easy policy loan values and that in years to come they will probably put more of their assets into liquid securities to meet panic conditions similar to and even greater than those through which we have been passing, was the prophetic suggestions made to members of the American Life Convention at Toronto by John M. Laird, in his presidential address this week. The splendid record of stability of life insurance during the past three years was stressed. Mr. Laird also threw out that suggestion that the public had a right to expect leadership from life insurance companies in finding a solution to various types of social benefit, even though these benefits were in many cases not directly related to life insurance.

In addition to two days of serious study of legal problems by members of the legal section of the association the delegates to the convention which is meeting in Canada for the first time hear a wide range of subjects relating to all phases of the insurance contract discussed during the early days of the week.

Highlights of Speech

Highlights of Mr. Laird's speech follow:

"Temporarily, the sale of new insurance has fallen off but, as compared with other lines of business, the production has been maintained at a surprisingly high level. The income of the people of the United States and Canada has been shrinking, but a much larger proportion of that income is going into life insurance premiums. Policyholders have taken a cut in salary and are hard-pressed to meet current bills, but in some way they manage to keep the bulk of their life insurance in force. In this time of stress, the steady flow of premiums to relatively remote life insurance companies is a tribute to the effectiveness of the agency system, the soundness of the type of policyholders, and the more complete realization of the benefits of life insurance.

"While some unfortunates have been obliged to drop all or part of their protection, the great majority will hold on to what they have and are determined to increase it at the first opportunity.

"After all, the social value of life insurance is measured not by the volume of new business in a boom year like 1929, but by the ability to meet all current demands in time of stress, and still have ample reserve funds to cover all future obligations with mathematical accuracy.

Assets Show Stability

"In this period of changing values and reduced earnings, the assets of life insurance companies have shown remarkable stability. They have been safeguarded by wise legislation, prudent investment and the nature of the life insurance contract under which the reserves are set aside primarily to meet the needs of the far-distant future. If the bull market had continued, there might have been a temptation to seek a higher interest rate or to cash in on the security market in the hope of large gains but, fortunately, the business as a unit remained steadfast to the old tradition that life insurance funds must be placed in diversified, fundamental investments which give maximum guarantee of both income and principal.

"In most states the law recognizes that the value of a life insurance investment should be measured primarily not by the amount which might be obtained at a forced sale during a panic, when no one is buying anything, but rather by the yield and security over a long term of years. For instance, bonds which are well secured and not in default are carried, not at the market value from day to day, but at the amortized value. While this principle is sound, the companies themselves should not rely entirely on this bookkeeping value. On the contrary, they should carefully watch market trends in order to avoid an ultimate loss on a bond which may at one time have been well secured, but through changing circumstances is becoming weaker.

"Life insurance may well be proud of its investment record in the past three years but the experience of this troublesome time will undoubtedly lead to even more careful search for the best securities in order to maintain these trust funds for the benefit of policyholders and their families.

Errors of Past

"Looking back, we can see that in our sales we have put too much emphasis on the cash value and on the ease with which a loan can be obtained. Now that the public appetite for obtaining cash has been aroused, we may expect still heavier withdrawals in any future depression. Looking ahead, we must be prepared for the possibility, however remote, of a similar catastrophe. It is probable that in the future it will be necessary for the companies to keep a larger proportion of assets in liquid securities which will give a low yield but can be converted into cash on a moment's notice. This will necessarily raise the cost of insurance but it will provide a safety valve if the necessity ever arises.

"Already there is a strong movement toward lower cash values in the early years. It is now recognized that the surrendering policyholder should not be allowed to draw out more cash than the company has accumulated out of his premiums, after making a proper charge for his share of the cost of insurance and the necessary expenses. Any amounts saved by lower cash values in the early years will naturally strengthen the position of continuing policyholders.

"In addition, we should seek some more effective curb on the right to withdraw the full cash value on demand.

Shift Emphasis from Net Cost

"It is well recognized that the earning power of a life insurance company must sooner or later be reflected in the price paid for life insurance. Just now, the trend is toward a reduction in dividends to policyholders, partly to strengthen the present surplus but also to bring the future cost more in line with modern conditions. It is probable that eventually, if interest rates go as low as 4%, a similar upward revision in the rates charged for "guaranteed cost" insurance. The emphasis is shifting from net cost to strength and security.

"This period of social unrest will undoubtedly lead to many schemes for providing the public with various forms of old age pensions, health benefits and unemployment relief. These plans will inevitably be linked up with the word "insurance." Even though they may involve many problems not directly related to life insurance, the public has a right to expect that life insurance officials will be among the leaders in seeking a solution. The difficulties are great and will require the combined wisdom of the actuary who can analyze statistics and compute liabilities, the student of human relations who has a sympathetic understanding of modern individual needs and, last but not least, the statesman who can control and secure the necessary legislation.

New Opportunities

"It is a part of human nature to live in the present and let the future take care of itself. With so many pressing demands of the moment, it is difficult to make adequate provision for the future. At the same time, most worthwhile people have an ambition to leave a substantial estate at death and to achieve financial independence while still young enough to enjoy the feeling of security. A few years ago most of us hoped to get rich by taking a flyer in some speculative stock or by participating in an investment trust which was supposed to yield at least 20 per cent each year. Today we have abandoned those fanciful dreams of easy wealth and have fallen back on old-fashioned thrift. There is a renewed and abiding faith in life insurance as the one sure means of creating an immediate estate combined with an increasing savings fund available in old age or any emergency.

"Life insurance has again stood the test of time and is ready to move forward and fulfill still greater obligations as an outstanding fiduciary institution."

U.S.A. to Postpone Security Valuations

No lead from the U. S. A. as to security valuations will be given to Canadian insurance companies and jurisdictions until early in December, according to word received by The Financial Post from George S. Van Schaick, chairman of the security valuations committee of the National Convention of Insurance Commissioners.

Last year this committee announced basis of "average" valuations on October 9 and it was virtually this basis which was subsequently adopted by Canadian jurisdictions.

According to Mr. Van Schaick, it is unlikely that any action will be taken in this matter until the meeting of the convention, early in December.

Meeting Approves Canadian National Sale

Sale of the Canadian National Fire Insurance Co. to the Sun Insurance Office Ltd., of London, Eng., for a consideration of $45,000, was approved by shareholders at a meeting held in Winnipeg on Sept. 30.

As the sale of the company's business entailed the winding-up of the company, the meeting passed a resolution appointing the National Trust Co. liquidators, subject to the approval of the court.

In a letter to shareholders sent out prior to the meeting, it is stated that after payment of $45,000 there will remain $65,000 in the company's unearned premium reserve which will be immediately available for distribution among shareholders. This, with other liquid assets held, will enable the company to pay out to shareholders substantially more than the current market value of the stock, the letter states.

Programme Arranged for Casualty Convention

Twelfth annual convention of the Ontario Fire and Casualty Insurance Agents' Association will be held in Toronto, Oct. 13 and 14.

According to a tentative programme arrangements, addresses will be heard from Samuel R. Feller, first deputy superintendent of insurance in New York State on "Agents' Qualification Law"; from J. A. Magrath, chief of New York State rating bureau on "Operations of the Rating Bureau System in New York State"; J. P. Bickell, registrar of motor vehicles in Ontario, on "Automobile Legislation Results"; A. Leslie Ham, manager of Winnipeg branch of Canadian Surety Co. on "New Automobile Insurance." G. D. Finlayson, federal superintendent of insurance, will be speaker at the annual banquet on Thursday, Oct. 13.

Among important new business to be discussed at the meeting will be the matter of insurance premium Finance Plans.

FINANCING PLAN ENABLES INSURER TO SPREAD COSTS

Installment Facilities for Fire, Casualty Premiums Now Available

"If you cannot pay the full amount of this premium within thirty days, you may by paying a small extra charge, arrange payment on the installment plan in 4, 5, 6, 7 to 8 payments."

Thus reads a sticker now being attached to fire and casualty policies sold by several important insurance brokerage houses in and about Toronto. It heralds what is practically a newcomer to the insurance field in Eastern Canada and what may be an important factor in the future, namely the insurance premium finance plan.

Starting in the United States a comparatively short time ago and aided by depression conditions, the insurance premium finance company has made important headway across the line and is already the subject of considerable attention. In Canada at least three companies are actively engaged in this type of business; one in Vancouver which sells directly to the public and more recently two firms in Ontario. One of these, the Commerce Finance, Ltd., of Ottawa, is also making a direct appeal to the insuring public while the other, Insurance Premium Finance Co., of Toronto, is planning to draw the bulk of its business direct from insurance brokers.

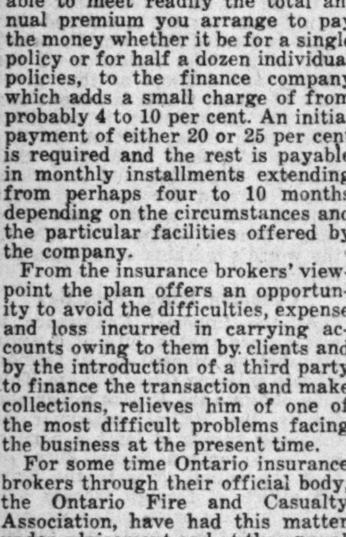
Plan is Simple

The plan is simple and as far as the insurer is concerned merely offers a facility already available in almost every other field of merchandising. If you need insurance protection for your house, business or car or all of these and are unable to meet readily the total annual premium you arrange to pay the money whether it be for a single policy or for half a dozen individual policies, to the finance company which adds a small charge of from probably 4 to 10 per cent. An initial payment of either 20 or 25 per cent is required and the rest is payable in monthly installments extending from perhaps four to 10 months depending on the circumstances and the particular facilities offered by the company.

From the insurance brokers' viewpoint the plan offers an opportunity to avoid the difficulties, expense and loss incurred in carrying accounts owing to them by clients and by the introduction of a third party to finance the transaction and make collections, relieves him of one of the most difficult problems facing the business at the present time.

For some time Ontario insurance brokers through their official body, the Ontario Fire and Casualty Association, have had this matter under advisement and at the annual meeting of this body next week in Toronto one afternoon has been set aside for discussion of this matter. H. E. Rose, president of the association will probably head the discussion.

Northern Life Manager



H. M. MacCALLUM

Formerly provincial manager for Ontario of the Mutual of New York and now appointed branch manager for the Northern Life Assurance Co. with headquarters at Toronto.

Finlayson Pays Tribute To Life Insurance Firms

Federal Superintendent Expresses Clear-cut Faith in Stability of Every Canadian Company

Clear-cut faith in the stability of life insurance companies in Canada was expressed last week by G. D. Finlayson, federal superintendent of insurance at a special meeting held in Montreal under the auspices of the Life Underwriters Association of this city.

Mr. Finlayson recalled that during the early days of the Great War in 1914 the one question in the minds of policyholders in Canada was: Will the life insurance companies pull through? As the war progressed, and the companies continued sound, alarm abated. Then, in 1918, in the wake of the influenza epidemic, the same question arose again in the minds of the populace.

"You know the answer then," Mr. Finlayson said. "The life insurance companies in Canada without an exception, came through, and continued to pay every dollar of their death claims."

During the next ten years, he continued, the companies increased their business four-fold. Then, came the economic depression, and once more policyholders are asking: Will the companies come through? Are our dependants protected?

Only One Answer

"Up to date, we have no hesitation in answering these questions by saying: We believe every life insurance company merits the confidence of the Canadian public for the way in which their affairs have been handled. They are standing up strongly against the present depression, and paying all their obligations. Many of them are making advances by way of policy loans that are more than double the amount being paid out in death claims."

"The companies have proved," he declared, "that they could stand up well against war, pestilence, and now economic depression. The only thing that remains to be demonstrated is as to whether or not they can stand up against prosperity. This does not seem a hard thing to do. But we must remember that it was in a period of prosperity that the seeds of depression were sown. When prosperity returns, we must see if we can devise means by which another economic crisis of this kind can be averted."

Guard Public Welfare

"The public has come to look to life insurance companies and other financial institutions as guardians of public welfare," he concluded. "Upon these institutions rests the task of giving proper leadership to the people."

B. W. Woodburn, president of the association was chairman of the meeting which was held in conjunction with an all-day life insurance congress conducted by Prof. Elton Bragg. Head table guests included B. A. Dugal, superintendent of insurance for Quebec; R. Leighton Foster superintendent of insurance for Ontario and representatives of leading banking, insurance and trust and loan institutions. Superintendents Dugal and Foster and Hon. Fernand Rinfret, mayor of Montreal also addressed the meeting.

Current Events in Banking World

N. S. F. CHEQUE LAW ONLY FIRST STEP SAY BIG STORES

Adequate Protection Not Given by Recent Amendment

MANY WEAK POINTS

Protection Against All N.S.F. Cheques and Elimination of "Reasonable Time" Clause Are Sought

Officials of Toronto's two largest department stores, the T. Eaton Co. and the Robert Simpson Co., are agreed that the recently enacted N. S. F. cheque amendment to the Criminal Code fails to do more than take a short step to the ultimate goal of an act which will afford them the protection which they deem necessary, according to opinions expressed this week to The Financial Post.

As the Criminal Code and amendment now stand the words "reasonable time" in the amendment come in for the most criticism, substitution of a definite period being desired. Two other changes were suggested to The Financial Post by one official, as follows: amendment of the act so as to include endorsers of cheques issued for payment and amendment to include all cheques issued for payment whether for "goods capable of being stolen," as at present provided for, or for services rendered, or in payment of credit accounts. A draft of an act containing these changes is shown in an adjoining column and while it is not the opinion of any single individual it incorporates most of the suggestions made by officials of a number of retail stores.

Helps Collections

Since the amendment came into force there has been a slight falling off in the number of cheques returned N. S. F., it was stated, although the number of troublesome cases had not shown any diminution, according to one official. The experience of one firm with the amendment was that its chief usefulness was in obtaining settlement of cheques which had been returned N.S.F., customers being quicker in making restitution when they were politely informed that they were in danger of being proceeded against under the Criminal Code.

Entirely opposite opinions were expressed regarding the public's acceptance of the amendment by two store officials, one stating that when the fact that there had been such an amendment became more generally known there would be some falling off in the volume of N. S. F. cheques while the other held that, so poor was the protection of the amendment as far as retailers were concerned, as soon as the public realized this even the small decrease which had been already noted would disappear. This latter official held that the public had read in the newspapers that under a new amendment to the Criminal Code criminal action could be taken against passers of N.S.F. cheques and not being thoroughly conversant, as yet, with the many provisos, they were more careful in their tendering of cheques for payment.

All Object

All merchants took exception to the words "reasonable time" in the amendment to the Criminal Code. It was inserted in the act as a safeguard to prevent a retailer from bringing a criminal action against a customer without giving him a chance to make the cheque good. Retailers now claim, however, that in practice it has been shown that magistrates have no fixed procedure regarding the length of time allowed to issuers to make restitution. Any action by the merchant is often held up by the magistrate refusing to issue an arrest warrant before two or three weeks have elapsed.

This point was raised in parliament during the reading of the amendment and sponsors replied that the words "reasonable time" had a definite legal significance and, while varying in individual cases to some extent, remained fairly constant. This has not been borne out in practice, the retailers believe.

Five-Day Clause

Merchants professed their inability to see any objection which customers could raise to a provision that would set a definite length of time to take the place of a "reasonable time." It was suggested that five days after the drawer was notified that the cheque had been returned N.S.F. was quite sufficient in which to settle with the holder for the amount of the cheque and that the act be amended to read that it is a criminal offense to issue an N.S.F. cheque unless the maker repay the holder within five days after being advised that the cheque has not been paid by the bank.

No recourse is at present available against persons who present for payment cheques payable to themselves and endorsed by them and merchants suggest that this should be covered.

Monthly Bank Clearings

	Sept., 1931	Sept., 1932
Halifax	$12,685,888	$ 8,642,809
Saint John	9,645,999	7,158,795
Sherbrooke	2,835,515	2,204,616
Quebec	21,394,279	16,394,929
Ottawa	24,412,164	16,825,546
Montreal	427,687,363	326,636,960
Kingston	3,763,176	2,416,039
Peterboro'	3,080,661	2,468,145
Toronto	376,107,699	345,558,927
Hamilton	19,871,588	15,178,951
Kitchener	3,983,115	3,302,921
Brantford	3,664,268	2,974,256
London	11,548,942	10,041,760
Chatham	1,717,943	1,545,938
Windsor	9,957,307	9,134,258
Sarnia	1,810,040	1,536,877
Sudbury	2,789,651	1,913,912
Moncton	3,247,220	2,622,991
	Sept., 1931	Sept., 1932
Fort William	$2,804,028	$ 2,463,019
Winnipeg	167,161,688	182,154,352
Brandon	1,737,132	1,537,352
Regina	16,523,218	18,285,485
Moose Jaw	2,694,394	2,446,778
Saskatoon	6,982,686	6,445,955
Prince Albert	1,463,004	1,061,576
Edmonton	15,564,165	15,472,391
Calgary	23,441,667	21,177,321
Medicine Hat	1,106,293	843,713
Lethbridge	1,735,975	1,591,394
New Westminster	2,483,255	1,892,707
Vancouver	61,552,928	49,404,292
Victoria	7,511,685	5,701,238

Proposed New Legislation To Cover N. S. F. Cheques

Dissatisfied with the amendment to the Criminal Code dealing with N.S.F. cheques, merchants are agitating for further reform which will give them adequate protection. To this end a leading retailer has drafted a new act which in his opinion incorporates all the changes deemed necessary. This proposal appears to find favor with most merchants according to a check up made by The Financial Post.

Present Act

The present section of the criminal code and the recently enacted amendment are:

(1) Every one is guilty of an indictable offense and liable to three year's imprisonment who, with intent to defraud, by any false pretense, either directly or through the medium of any contract obtained by such false pretense, obtains anything capable of being stolen, or procures anything capable of being stolen to be delivered to any other person than himself.

(2) Every one is guilty of an indictable offense and liable to one year's imprisonment who, in incurring any debt or liability, obtains credit under false pretenses or by means of any fraud.

Amendment

(3) In any prosecution under this section if it be shown that anything capable of being stolen was obtained by the accused by means of a cheque which, when presented for payment within a reasonable time, was dishonored on the ground that there were no funds or not sufficient funds on deposit in the bank to the credit of the accused, it shall be presumed that such thing was obtained with fraudulent intent by a false pretense, unless it be established to the satisfaction of the court that when the accused issued such cheque he had reasonable grounds for believing that it would be honored if presented for payment within a reasonable time after it was issued.

Proposed New Act

The proposal to take the place of the present act and amendment is:

Every one is guilty of an indictable offense and liable to one year's imprisonment, or to a fine, not to exceed $1,000, or both, who, with intent to defraud, shall make, draw, utter or deliver any cheque, draft or order for the payment of money on any bank or other depository, knowing at the time of such making, drawing, uttering or delivering that the maker or drawer has not sufficient funds in, or credit with such bank or other depository for the payment of such cheque, draft or order in full upon its presentation.

As against the maker or drawer thereof, the making, drawing, uttering or delivering by such maker or drawer of a cheque, draft or order, payment of which is refused by the drawee because of insufficient funds of the maker or drawer in its possession or control, shall be prima facie evidence of the intent to defraud and of knowledge of insufficient funds in or credit with such bank or other depository, provided such maker or drawer shall not have paid the holder thereof the amount due thereon, together with the amount of protest fees, if any, within five days after receiving notice in person or in writing that such cheque, draft or order has not been paid.

(The word credit as used herein shall be construed to mean arrangement or understanding with the bank or other depository for the payment of such cheque, draft or order.)

Demand Deposits Increase Despite Drop in Loans

Despite a drop in current loans of approximately $30 millions, demand deposits in Canada increased over $13 millions in August compared with the previous month, according to the combined statement of all Canadian chartered banks. Both call loans abroad and call loans in Canada were greater, however, the former being increased by almost $21 millions and the latter by over $2,000,000.

Savings deposits were also higher in August than in the previous month, an increase of $3,300,000 taking them from the lowest point in many years. Foreign deposits were also greater by about $7,000,000.

Government securities held by the banks increased to nearly $500,000,000, a point only reached once in Canadian banking history—in November, 1931—the increase from July being $27,600,000.

The Financial Post's credit index based on the ratio of current and call loans in Canada to demand and savings deposits in Canada reached the lowest point since December, 1927. The figure for August being 60.7 compared with 62.4 in July, 1932.

An analysis of the bank statement made by The Financial Post follows. The official statement will be found elsewhere in this issue.

	August, 1932 $	July, 1932 $	Change $	August, 1931 $	Change $
ASSETS					
Immediately Available Liquid Resources					
Specie	55,687,846	54,849,376	+838,470	64,567,313	—8,879,467
Dom. notes	115,281,072	123,096,319	—7,815,247	98,994,321	+16,286,751
Gold reserve	21,831,732	24,781,732	—2,950,000	27,530,866	—5,699,134
Foreign banks	106,951,054	105,566,563	+1,384,491	93,665,424	+13,285,630
Foreign curr.	16,563,665	16,478,271	+85,394	18,466,944	—1,903,279
Govt. secs.	494,574,824	466,932,820	+27,642,004	452,406,898	+42,167,926
Call loans ab'd.	96,391,629	75,646,278	+20,745,351	109,665,579	—13,273,950
	907,281,822	867,351,359	+39,930,463	865,297,345	+41,984,477
Loans and Securities Other Than Those of Canadian Government					
Public secs.	155,146,926	153,439,699	+1,707,227	169,610,939	—14,464,013
Railway secs.	53,392,053	53,688,832	—296,779	78,967,511	—25,575,458
Can. call loans	114,072,418	111,928,646	+2,143,772	158,630,062	—44,557,644
Current loans	1,004,018,372	1,028,450,440	—24,432,068	1,127,280,857	—123,262,485
Loans abroad	159,043,645	164,344,571	—5,300,926	198,795,904	—39,752,259
Prov. loans	19,411,498	20,192,460	—780,962	24,784,089	—5,372,591
Mun. loans	123,667,970	130,650,216	—6,982,246	111,978,196	+11,689,774
	1,628,752,882	1,662,694,864	—32,941,982	1,870,047,558	—241,294,676
Other Assets					
Non-curr. loans	13,154,927	12,908,450	+246,447	9,456,587	+3,698,340
Real estate	7,365,977	7,257,081	+108,896	6,323,909	+1,042,068
Mortgages	6,008,345	6,019,515	—11,170	6,231,485	—223,140
Premises	80,056,763	79,954,607	+102,156	79,538,048	+518,715
Lets. of credit	48,441,700	48,317,201	+124,499	61,343,152	—12,901,452
Loans to comp.	12,886,773	12,922,789	—36,016	14,496,888	—1,610,115
Other assets	1,404,065	1,316,472	—87,593	1,726,695	—322,630
	169,318,550	168,696,115	+622,435	179,116,764	—9,798,214
Total	2,705,353,284	2,698,742,338	+6,610,916	2,914,461,667	—209,108,413
Note cir dep.	6,586,918	6,585,629	+1,289	6,807,497	—220,579
Int. bank bal.	89,941,410	84,483,468	+5,457,942	112,681,584	—22,740,174
Gross	2,801,881,582	2,789,811,435	+12,070,147	3,033,950,748	—232,069,166
LIABILITIES					
To the Public					
Circulation	127,774,826	134,570,441	—6,795,615	141,813,032	—14,038,206
Dom. Govt.	19,040,208	15,541,789	+3,498,419	10,540,890	+8,499,318
Prov. Govt.	32,308,954	33,063,201	—754,247	26,141,550	+6,167,404
Govt. advances	29,000,000	38,500,000	—9,500,000	6,500,000	+22,500,000
Deposits by Public					
Demand dep.	475,360,461	462,087,114	+13,273,347	568,462,418	—93,101,957
Savings dep.	1,366,546,598	1,363,172,444	+3,374,154	1,461,091,577	—94,544,979
Total	1,841,907,059	1,825,259,558	+16,647,501	2,029,553,995	—187,646,936
Foreign dep.	306,551,609	299,379,198	+7,172,411	331,596,171	—25,044,562
Due to Banks Abroad, Etc.					
Un. Kingdom	4,495,448	5,673,036	—1,177,588	9,306,962	—4,811,514
Foreign	49,596,799	51,780,786	—2,183,987	64,976,742	—15,379,943
Bills payable	1,473,403	1,709,973	—236,570	5,932,531	—4,459,128
Lets. of credit	48,441,700	48,317,201	+124,499	61,343,152	—12,901,452
Other liab.	2,136,422	2,217,538	—81,116	2,850,886	—714,464
Public liab.	2,462,726,428	2,456,012,721	+6,713,707	2,690,555,911	—227,829,483
Due bet. banks	10,852,570	8,087,404	+2,765,166	12,739,019	—1,886,449
Liability to Shareholders					
Dividends	3,007,943	1,193,726	+1,814,217	3,523,914	—515,971
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,783,086,941	2,771,793,851	+11,293,090	3,013,318,844	—230,231,903
Credit index*	60.7%	62.4%	—1.7%	63.3%	—2.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Bank Chat

Bank of Nova Scotia announces the following staff changes:

D. S. M. CLARK, formerly manager at St. Ann's Bay, Ja., has been appointed manager at Mandeville, Ja.

E. G. MOSHER, formerly manager at Gagetown, N.B., has been appointed manager at East Florenceville, N.B.

J. L. JELLY, formerly manager at Albany, P.E.I., has been appointed manager at Gagetown, N.B.

U. J. PINEAU, formerly accountant at Sydney, N.B., has assumed charge at Albany, P.E.I.

G. M. HAMILTON has been appointed accountant at Sydney.

J. A. FIELD has been appointed accountant at Windsor, N.S.

A. S. MAXWELL, formerly manager at the Bank of Montreal, Owen Sound, has been appointed manager at Brantford, Ont.

ALBERT E. TAYLOR, formerly manager of the Bank of Montreal, Brantford, Ont., has been retired on pension owing to ill-health.

A. SADDLER, formerly manager of the Bank of Montreal, Vankleek Hill, Ont., has been appointed manager at Lancaster, Ont.

Canadian Bank of Commerce announces the following changes in staff and branches:

M. A. MORRISON, formerly manager at Wellandport, Ont., has been appointed manager at Arkona, Ont.

J. A. TESSIER, formerly manager at St. Ferdinand d'Halifax, has been appointed manager at Berthierville, Que.

E. DUMOULIN, manager at Berthierville, Que., has been appointed manager at Lacolle, Que.

S. H. GEBBIE, formerly accountant at Wellington Street, Sherbrooke, will be in charge of Cartier Avenue, Quebec City branch.

J. E. ROBSON, manager at Cartier Avenue, Quebec, has been appointed manager at St. Ferdinand d'Halifax, Que.

T. O. GOLDSMITH, of the staff of relieving managers, Hamilton, has been appointed manager at Wellandport Ont.

PASCALIS, Que., will be new name of this branch which was Pascalis Township branch. Mail should be addressed direct and telegrams sent via Amos, Que.

WOOLER, Ont.—This sub-agency of the Trenton, Ont., branch was closed on Sept. 30.

Weekly Bank Clearings

	Oct. 1, 1931	Sept. 29, 1932
Halifax	$2,867,812	$ 1,619,340
Saint John	2,193,133	1,531,459
Moncton	710,010	711,398
Sherbrooke	610,845	506,493
Quebec	6,064,837	3,476,892
Ottawa	5,447,377	3,421,482
Montreal	124,901,606	68,873,597
Kingston	856,554	526,247
Peterboro'	677,800	492,321
Toronto	100,799,616	78,904,283
Hamilton	5,042,627	3,006,540
Kitchener	1,017,976	672,411
Brantford	672,436	590,694
London	3,517,422	2,219,405
Chatham	425,109	346,144
Windsor	2,360,498	2,206,690
Sarnia	405,592	282,879
Sudbury	692,165	438,438
	Oct. 1, 1931	Sept. 29, 1932
Fort William	$ 559,994	$ 464,063
Winnipeg	33,484,591	42,026,172
Brandon	469,491	329,824
Regina	3,978,700	4,318,626
Moose Jaw	579,606	531,755
Saskatoon	1,495,050	1,538,680
Prince Albert	457,365	237,122
Edmonton	4,873,232	3,099,707
Calgary	5,151,970	4,698,831
Medicine Hat	231,878	189,722
Lethbridge	386,580	337,814
New Westminster	689,359	454,845
Vancouver	16,154,174	11,026,155
Victoria	1,836,447	1,144,099

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Foreign Exchange

AFTER dropping below 90 in the last week in Sept., the Canadian dollar staged a strong recovery in New York to close on Oct. 3 at 91, the highest point since the last week of September, 1931. With refunding obligations successfully completed and trade returns daily showing increases in exports to Empire countries the stage is set for this level to be maintained. Seasonable reactions will, of course, occur, but strength can probably be looked for while the bulk of the grain crop is being moved.

While financing already done is sufficient to take care of all maturities outside of Canada until Oct. 1, 1933, the government will have to do a considerable amount of financing to meet domestic obligations and current expenditures. The amount of this necessary financing has been placed between $50,000,000 and $200,000,000, with the latter figure being more favored.

* * *

LOW wheat prices continue to be a bearish factor but this is offset to some extent by Canada's 10 per cent preference in the world markets over the United States owing to the dollar values. With this preference to work on, Canada is moving her current crop in large quantities without competition from the United States.

Gold exports to the United States during the past month have totalled approximately $3,500,000, a million and a half of which was exported during the past week. With Canada's gold production running at approximately $5,200,000 per month there has therefore been an increase in gold in the Dominion of about $1,700,000.

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Sept. 27	10 3-4	10 1-2	10 1-2	8 1-2
Sept. 28	10 1-2	10 5-16	11	9 3-8
Sept. 29	10 1-4	10	12 3-4	10
Sept. 30	10 1-2	10 1-4	13	12
Oct. 1	10 5-16	10 1-8	15	14
Oct. 3	10 1-4	9-15-16	14	14

Sterling, Francs and Lire — Close Demand in New York

	Sterling	Francs	Lire
Sept. 27	3.45	3.91 5-8	5.12 3-8
Sept. 28	3.44 3-4	3.91 5-8	5.12 5-8
Sept. 29	3.45	3.91 11-16	5.12 3-8
Sept. 30	3.45 1-4	3.91 11-16	5.12 1-8
Oct. 1	3.45 3-8	3.91	5.12 3-8
Oct. 3	3.45 3-8	3.91 3-4	5.12 3-8

Close Demand in Toronto

Par		Sept. 20	Sept. 26	Oct. 3
5.26	Italian	5.72	5.66¾	5.63¾
23.80	German	26.55	26.31	26.17
13.90	Belgian	15.42	15.33	15.24
49.80	Japanese	27.32	26.66	26.26

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Your Investments

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The service, in other words, is one of fact and not of opinion.

What of the Future For Market Leaders?

Canadian Canners Stocks Have Still Decided Possibilities for Long View Despite Failure of Earnings to Cover Dividends

Canadian Canners 6 per cent first preferred cumulative stock of $100 par value, the second preference non-cumulative no par value stock and the no par value common stock, which showed no earnings at all in 1931, are considered in this series because the company is the acknowledged leader in Canada in the canning of fruits, vegetables and soups, and because it still has a strong enough working capital position to enable it to take advantage of the next period of recovery and prosperity which arrives in Canada.

At the end of 1929 this company apparently had an almost impregnable position with more than $7,000,000 in working capital, with first preference dividends earned four and a half times and with common stock dividend payments of 50 cents a share earned almost nine times. The company then did not owe the bank one cent, its call loans, investments and marketable securities were valued at $1,264,423, and it had built up impressive reserves not alone for general and depreciation purposes but for investments and contingencies in addition to the growing surplus.

Equipped for Expansion

The company, in other words, was well equipped to do a much larger business than it had done. It took advantage of the large crop of 1930 therefore to increase its inventories by February 28, 1931, to $8,437,240. This involved borrowing $2,671,349 from the bank and reducing its call loans, investments and marketable securities. At the time executives believed they saw an outlet for this large inventory but every other unit in the industry increased its pack to excessive proportions, excessive because many of these competing packers were not strong enough financially to market a larger pack in the modern hand-to-mouth way and had not in view outlets for the increase.

In face of the continual decline in commodity prices everywhere these weakly held inventories sought a market at whatever price was available. The situation grew steadily worse, distress sales became the rule rather than the exception, and the strong companies had to accept the new price trend. Selling prices in the last quarter of 1931 and the first quarter of 1932 were below cost, and at the time of the annual meeting on May 11, 1932, the situation still appeared so uncertain that Avern Pardoe, president, asked and secured from the shareholders the right to set aside from the contingency reserve $1,200,000 to provide for any non-recurring charge such as inventory revaluations, foreign exchange and shrinkage in investments.

Price Situation Improved

The company in the year ended February 28, 1932, had to transfer $404,820 from investment and contingency reserve to provide for foreign exchange, and proportion of interest and carrying charges on excess inventory, which inventory was still shown in the last balance sheet at $7,197,862. The foreign exchange losses were incurred in an effort to correct the excess inventory situation by selling abroad, especially in England. The company's sales by volume both abroad and at home actually increased though values were down somewhat. This reduction in inventory permitted it to reduce bank loans by more than half a million dollars to $2,116,187. But reduction was still a problem. Hence the desire to provide for further write-offs.

Since May 11 a change for the better has come over the situation. Independent canners got together, composed their differences, and have been selling at prices which enable efficient canners to get by without a loss.

1932 Pack is Smaller

More important still, it was felt that it would be suicidal for the industry as a whole to make a large pack of over-produced vegetables this year. Therefore last spring contracts were made with farmers for greatly reduced acreages, and bankers refused to extend accommodation to weakly financed packers. If this policy is adhered to by all concerned there would appear to be an opportunity for the industry as a whole gradually to draw out from the morass in which it has been stuck for more than a year back. The very sharpness of the crisis facing it appears to be bringing about its cure, though slowly. The improvement in price will be doubly beneficial to Canadian Canners, making it necessary to write down inventories to a smaller extent, and making it possible to handle bank loans and sell products more favorably to itself. As the industry generally clears up the loose situation there is also a prospect that what appeared to be "excess" inventory last spring may come to be regarded as simply "adequate." Sales are slow as yet until fresh fruits and vegetables are cleared from the market.

Whether or not this upturn in prices and sentiment in the industry as a whole holds, there are certain factors in canners stocks not without interest for those investors who are willing to take the chances of fluctuations caused from time to time by world dislocation of trade, changing commodity prices, foreign exchange demoralization and "distress" competition.

Good Year Surplus Helped

First of all, the senior stock, 6 per cent first preferred stock, deserves consideration because in the most trying period yet experienced in the twentieth century the company has come through still strong and with its operating and sales machinery as strong as ever. The fact that a large contingency reserve had been built up in good years is all the more a tribute to the foresight of those who have in the last five years been in charge of the company's financial policy because the events of the last two years made it necessary for the company. One can take it that in good years in the future efforts will be made to build up such a reserve once again against the possibility of market depreciation in values of market securities, of inventories, of foreign exchange and any future failure to work of all those modern devices to facilitate interchange of trade.

Industry is Essential

Second only in importance to the company's financial strength is the fact that the company is engaged in an essential industry. Improvements in marketing fresh vegetables and fruits, the quick march forward of refrigeration for preservation of perishable foods and the success attending experiments being made in the United States for quick freezing and preserving of fresh fruits into the winter do not threaten the industry so far as one can see. They will find their level but canned fruits and vegetables will offer a cheap and good way out for householders who desire to keep these in stock against emergencies or for continual use. Soups and fruits and vegetables are brought to homes now so cheaply and well prepared that women less and less every year are doing their own preserving. With every passing year this last home industry passes more completely from the home to the factory which has the advantage of selection of product, of buying more cheaply from the grower and of infinitely superior facilities for canning. The depression has delayed the trend but not stopped it.

Competition Always Possible

Next in importance, Canadian Canners covers all Canada from its 62 factories in Ontario, Quebec and British Columbia. It started with 30 factories in 1903 and has expanded ever since. It is easy to start up a canning factory in times of good prices, and in that sense Canadian Canners will always be subject to the possibility of competition. Its advantage is in the pooling of common experience both in the manufacturing and marketing end and in the economies made possible by having in most years ample resources of its own. It is also equipped and has connections which enable it to take advantage of foreign markets when shortages develop anywhere. Important competition has developed in soups and stringed vegetables and must be reckoned with.

Can Choose Four Securities

Choice of investors will range through the 6 per cent first mortgage 30 year sinking fund bonds of Dominion Canners, subsidiary, due 1940; the 6 per cent 25-year general mortgage bonds of Canadian Canners due 1950, 6 per cent first preference stock and the second preference convertible and common shares. Through operation of sinking fund first mortgage bonds are down at $1,046,000 to half of amount of original issue and general mortgage bonds have been reduced by $242,000 to $2,398,000. There is no anxiety on the part of bondholders with reference to the situation.

Pay Dividends From Reserve

First preference stock has been in recent years regarded as a first-class investment stock with $4,557,150 outstanding of $100 par value stock, and though nothing was earned last year the chances of recovery of earnings to look after this stock with even an approach to normal conditions of employment and business in Canada are regarded as excellent. The directorate and management share this feeling as dividends have been continued from the dividend reserve established in good years and it is certain that any possible dividend recess would be made as short as possible, consistent with maintaining a good working capital position.

Chief market interest, however, in the past has been directed to the possibilities of the 363,732 no par value second preference shares. Dividends are still being paid at the rate of 40 cents a share, and payments will undoubtedly be responsive to rate of net earnings up or down. There may be some delay both ways in accommodating dividends to earnings. Dividends did not disappear when the company's earnings fell, and they will not likely go up as soon as earnings do as the company's first duty and effort will probably be to restore its liquid position to as strong a position as possible.

Common Stock Position Considered

The position of this second preference stock must be considered along with that of the common stock. It will be easier to raise the second preference dividend to 60 cents a share from 40 cents a share yearly than to carry it up 20 a share to 80 cents annually later. The reason is that after second preference stock has a dividend of 60 cents a share common stock automatically shares in further increases. The dividend will go up on common shares at the rate of 2½ cents for every additional one cent a share on second preference stock. If earnings keep on increasing until they are as high as the old maximum then $1 a share could be paid on both stocks. Any further increase would be on the common stock alone and holders of second preference stock could share only by converting into common stock share for share.

The situation therefore is that chief speculative interest now turns on the first preference stock earnings being restored and the present dividend on second preference stock being consolidated by earnings. Stability of second preference dividend cannot be assessed until the next annual report is received and even with reference to the full first preferred dividend the next report will be read with great avidity to see what improvement has occurred. Most of the market expectation for these stocks looks beyond the present depression to a time when business is active once again.

Gatineau Power

Would you recommend selling Gatineau Power 5's, due 1956, and purchasing an Argentine Republic or Government of Newfoundland, bond?

The Gatineau 5's of 1956 are a first charge on the assets of that company which has shown full ability to cover all its bond interest requirements by a satisfactory margin. In the quarter ended June 30, 1932, net earnings available for bond and debenture interest and depreciation amounted to $2,148,731, as compared with $1,911,029 in the corresponding period of 1931. In this quarter of 1932 interest on bonds and prior liens was earned 2.43 times before depreciation and amortization of storage works and 2.26 times after depreciation and amortization. We believe that earnings of the company from power supplied under contract to the Ontario Hydro-Electric Power Commission and municipal users is more than sufficient to cover first mortgage bond interest charges without including revenue derived from power supplied under long-term contracts to pulp and paper manufacturers. The bonds have a good market in the United States and Canada and earnings of the company are reported quarterly.

In our opinion it is highly desirable that an investor should be able to follow the position of his investments closely and it should be possible to follow the Gatineau bonds more closely than the bonds of Argentina. The Argentine Republic is one of the strongest countries in South America. Its exports are largely in agricultural products that have suffered substantially in price but it still has a favorable balance of trade. Improvement in world wide business conditions should favor Argentine bonds, but the price of these bonds is dependent upon so many factors that are difficult for the private investor to follow we believe that a great deal of consideration should be given before their purchase. Bonds of Newfoundland do not have a broad market in Canada as the Dominion over a period of years has worked itself into a difficult financial position. With assistance of advisors from England and Canada, substantial progress has been made in correcting this situation, but the fact that some of the Newfoundland bonds are selling to yield as high as 12 per cent is ample indication that the bonds are not a first rate security.

In any switch from Gatineau 5's to Argentine or Newfoundland bonds, much would depend upon the financial position of the investor. Of this we are unaware.

G. T. R. Debentures

Would you please advise if the 15 year six per cent sinking fund gold debenture bonds of the Grand Trunk Railway Company of Canada are unconditionally guaranteed as to principal and interest by the Canadian Government?

The Grand Trunk Railway Co. of Canada, 15 year sinking fund debentures bearing interest at 6 per cent and due September 1, 1936, are guaranteed as to principal and interest by endorsement by the Dominion of Canada. These debentures are payable in New York funds and are listed on the New York Stock Exchange.

United Fuel & Gas

I hold a 5½ per cent bond of United Fuel & Gas Co., due 1948. What is the position of this bond. Apparently they are seldom quoted and I am rather anxious about the future.

United Fuel Investments Ltd. owns all the common stock of United Gas & Fuel Co. of Hamilton, Ltd., and Hamilton By-Product Coke Ovens Ltd. United Gas & Fuel Co. is not earning interest charges on its 5½ per cent first mortgage bonds of which there is $1,787,500 outstanding, but the joint earnings of Hamilton By-Product Coke and United Gas & Fuel Co. are more than sufficient to cover the interest requirements of both companies. The consolidated income and surplus account of United Fuel Investments for the year ended March 31, 1932, includes the earnings of its two subsidiaries and in that fiscal period interest on the bonds of the parent company and its two subsidiaries was earned 1.53 times before depreciation and 1.08 times after depreciation. Earnings of United Fuel Investments in the current year are slightly under the 1931-32 level.

Earnings of United Gas & Fuel Co. have been affected by three factors in the past year or so, possibly the most important of which is the decrease in the industrial demand for gas in the areas served due to curtailment of industrial production. The company claims that its rates are too low and when circumstances warrant, it may seek to increase the rates. The third factor is competition from Dominion Natural Gas Co. in one section of the city of Hamilton and in 1931 these companies engaged in a rate war. United Gas & Fuel has been unable to upset the right of Dominion Natural Gas to operate in this particular area but it is stated that if necessary United Gas will take the case through to the Privy Council.

Improvement in earnings can be expected with any improvement in general business conditions and the company may be able to show a substantial increase in earning power. The position of the bonds is being watched closely by institutional investors in Canada and the interest of these investors will largely parallel those of private investors. The bonds at the present time are quoted at 54 bid while early in July of this year the bonds were offered at 47 with no bid available.

C. N. R. Bonds

I hold a $1,000 bond of the Canadian National Railways maturing July 1, 1957, and guaranteed by the Dominion Government. Would you advise me to sell this bond and buy a Dominion of Canada bond? The talk of recapitalization of the C. N. R. is not reassuring to me since I do not feel that one can trust governments these days for they are all capable of anything in times of stress and falling revenues.

It is highly improbable that the Dominion Government will repudiate its guarantee on the Canadian National Railway issue due July 1, 1957, one of the bonds of which you hold. This issue and a number of others are payable in new York funds and are largely held in the United States and if the Dominion Government were to repudiate its guarantee the Federal Government would become discredited not only at home, but in foreign financial centres upon which it must depend for new financing for many years to come.

It is true that at times in the past year the Canadian National Railway bonds issue guaranteed by the Dominion have been less marketable than straight Dominion of Canada bonds due to some of the uncertainties of the railway situation but during the past few months a considerable degree of confidence has been restored. It would not appear necessary that you exchange your present bond for a direct obligation of the Federal Government and if you were to sell your present bond for even the highest grade industrial, you would not be making a satisfactory change from the standpoint of a conservative investor.

King Edward Hotel

I hold stock of the King Edward Hotel Co. Can you advise me as to the position of this bond and the prospects for payment of interest?

While no financial statement has been issued for King Edward Hotel Co. for the year 1931, we understand that the company had a larger deficit than in 1930 when a loss of $389,773 was sustained before payment of bond interest.

The company is in default on interest and sinking fund on its first mortgage and its refunding bonds, the first mortgage being held by Metropolitan Life Insurance Co. of New York. Much of the future of the company will depend upon the action taken by the Metropolitan Life which to date has been willing to forego any action pending a possible improvement in business conditions. We presume that you hold debenture stock of the company of which there is some $3,371,400 outstanding which ranks after the first mortgage and the refunding bonds which totals some $2,295,000. The prospects for the debenture stockholders are not bright and there is practically no market for this security. Interest and principal on the debenture stock, series "A" is guaranteed by United Hotels Co. of America, but interest does not become due until March 1, 1933. United Hotels has been unable to advance money to the King Edward because of financial difficulties of its own.

McColl-Frontenac

I hold some shares of McColl-Frontenac Oil Co. Have you any idea how this company is getting on this year? I have seen no figures published.

Though no official statement has been issued by the company this year, our understanding is that sales of McColl-Frontenac Oil Co. have been on a satisfactory basis and that earnings have been maintained. The company continues to expand its properties and has recently installed additional storage capacity in Windsor and plans another large storage unit at the head of the lakes. The company has done well since its inception in 1928 and earnings last year were equal to $1.81 a share on the common stock; balance sheet showed a satisfactory financial position.

Sin-Mac Lines

I have some bonds of Sin-Mac Lines in my investment portfolio. I understand that interest is not being paid on this issue; what is the situation in the company now? Do you think there is any hope of its coming back?

There has been no change in the situation surrounding the first mortgage bonds of Sin Mac Lines since interest was defaulted in October, 1931. The trustee still holds the assets for the bondholders and the company continues to operate; until the end of the current season of navigation officials say it is impossible to estimate what the year's results will be. As yet no reorganization plan has been put forward for bondholders; it is unlikely that any steps will be taken until the position of the company is more clarified. The company is the largest organization in the industry it serves in Canada and given an improvement in shipping conditions, should be able to strengthen its position.

Industrial Mortgage

Would you kindly forward me a report on the Industrial Loan and Savings Co., Sarnia, Ont.? Do you consider their stock a good investment?

Your enquiry regarding Industrial Loan & Savings Co., Sarnia, refers, we presume, to the Industrial Mortgage & Trust Co., formerly known as Industrial Mortgage & Savings Co.

This company was originally established in 1889, and at Dec. 31, 1931, had total assets of $4,659,043. Capital subscribed and paid up was $635,000 of an authorized amount of $1,000,000, and reserve was $580,000. In 1931 the company had net profits of $58,271 and paid dividends at the rate of 9 per cent. From 1926 to 1930 inclusive, dividends were paid at the rate of 9 per cent with a 1 per cent bonus.

The depositors and guaranteed investment certificate investors reside principally in Lambton county and West Middlesex, while mortgage loans of the company are on property in the city of Sarnia, and farms in the county of Lambton, West Middlesex, the southern part of Huron and Perth, and a small percentage in Saskatchewan and Alberta. At Dec. 31, 1931, assets in the capital account amounted to $1,265,943, and the guaranteed trust account of $2,703,336, and in the estate trust and agencies account, totalled $389,765. The latter item showed an increase of some $33,000 over the previous year, while guaranteed trust account was down by $100,000. The capital account was increased by $15,000. During 1931 real estate held increased from $39,047 to $53,528.

So far as we are aware there is no active market on the shares of this company.

Abitibi Receivership

In case of liquidation of Abitibi properties would all outstanding bonds rank equally as a liability whether deposited or not? What is the advantage of deposit?

It is the intention of the receiver at present to conduct Abitibi Power & Paper as a going concern.

In case of liquidation, however, all outstanding bonds would rank equally as a liability against the assets of the company. The depositors would not have any preference over others. The only advantage of depositing is that the hands of the protective committee are strengthened to the extent of bonds deposited with them.

Burns & Co. Preferred

What are my chances eventually of getting dividends on Burns & Co. preferred stock?

Consideration of the future prospects of Burns & Co. preferred stock must await the result of the company's efforts first to get itself in a position where it will have earnings sufficient to pay bond interest. It will then have to improve its working capital over a term of years before preferred dividends can be regarded with anything like assurance.

Winnipeg Electric

I notice that shares of Winnipeg Electric Co. are selling at a low figure and I have wondered whether it might not be a good idea to pick up a few. What are the chances for an improvement in the stock?

The outlook for Winnipeg Electric Co. is uncertain at the moment. Earnings have declined; no revenue is accruing from its common share holdings of Manitoba Power Co., while another subsidiary, Northwestern Power Co. has defaulted its bond interest. These bonds are guaranteed by Winnipeg Electric and until the Northwestern Power situation is cleared up, outlook for Winnipeg Electric will remain somewhat uncertain. As you know, dividends on the preferred stock have been deferred and at present the common shares cannot be said to occupy a satisfactory position.

Abitibi Preferred Committee

We hold 20 shares of Abitibi preferred and 10 shares common. We have received from the Preferred Stockholders Protective Committee a circular dated September 12th, requesting us to deposit our stock with the Montreal Trust Company. Would you advise doing this at this time?

The preferred stockholders of Abitibi should certainly be represented by a protective committee and the only way to make the work of a protective committee effective is to support it by depositing the stock. The only alternative is to hold shares in the hope of selling in case a market should develop. There may be no hurry about depositing, but we cannot say about this. In case of any attempt at reorganization there would certainly be some benefit to the preferred stock to have energetic representation made on its behalf.

New Brunswick Bonds

Would you give me your opinion on the 5 per cent 25-year debentures of the Province of New Brunswick recently offered to the public?

New Brunswick has had a series of deficits since the fiscal year ended Oct. 31, 1928, and it is expected that the current fiscal year will be no exception. The inability of the province to balance its budget cannot entirely be blamed upon business conditions prevailing within the last two or three years, since in 1928 the deficit was $103,686, and in 1929, was $530,200, and the Maritime Provinces did not feel the effects of depression as soon as did the West, although it must be admitted that neither did the Maritimes profit to the same extent in the prosperity era of 1928 and 1929.

The per capita costs of government in New Brunswick exceed those of the other Maritime provinces and of Quebec, but are under the average for all the provinces. The net funded and temporary debt of the province at Sept. 22, 1932, amounted to some $115 per capita and debt charges form the largest item of provincial expenditure.

While the statistical picture of New Brunswick situation is not as bright as it should be, the bonds of the province are generally regarded as being quite safe and the recent issue sold very quickly. It might be noted that this issue is to be retired by a sinking fund that will equal the amount of the issue by maturity.

Canadian Canners

Would you kindly give me your opinion of Canadian Canners 1st preferred and 2nd preferred stocks?

The last dividend on the second preferred stock of Canadian Canners was 10 cents a share, payable on October 1, 1932, at the rate of 40 cents a share per annum. On the same date $1.50 a share was paid on the first preferred stock at the rate of $6 a share per annum. It is difficult to estimate the exact position of the company with respect to these two stocks at the present moment inasmuch as in the year ending February 29, 1932, nothing was earned on either stock while $6 a share was paid on the first preferred and 77 cents a share on the second preference in addition to 42½ cents on the common stock. The common stock dividend was abandoned in 1932 and the second preference dropped to the rate of 40 cents. Until another statement is issued by the company it cannot be said whether the 40 cent rate on the second preference stock is permanent or not. It will be decided by the course of business. The company had an extraordinary loss of $204,820 in the year ending February 29, 1932, on account of exchange and proportion of interest and carrying charges on excess inventories. But even with that eliminated it would have failed by about $173,000 of earning the first preference dividend.

The company still has a strong working capital position, current assets being 3.31 times current liabilities, but it had a bank loan on February 29, 1932, of $2,116,187 which was down about half a million dollars from the total a year earlier. The situation naturally resulted from the large increase in inventories followed by the drastic decrease in prices because of overproduction in the industry as a whole and the distress selling that followed. The company has a strong liquid position and it is understood that the obligations to the bankers have been reduced considerably since the end of its last fiscal year. Some more borrowing would have to be done to look after its commitments in connection with the present crop, but these commitments have been reduced considerably in view of the large excess inventories carried over from previous years.

The company still foresees possible difficulties as it secured from the shareholders at the last annual meeting the right to set aside from the reserve an amount of $1,200,000 to provide for any non-recurring charge such as foreign exchange, inventory revaluation and shrinkage of investments.

Sales to date in the current year have been somewhat better than for the same period in the previous year and an advancing price trend has been of considerable help to the company, both because it makes the inventories more valuable and because it gives a profit on current business. Prices went so low on canned goods that sales were being made on the chief brands at profitless prices.

Tip Top Tailors

I am holding at the present time 100 common shares of Tip Top Tailors, which cost 33. This stock is not paying a dividend at present and it has been suggested to me to sell them at today's market price which would give me approximately $1,200 and purchase about 240 shares Diversified Trustee shares, series "D," at around 5 paying a dividend of 37c. per share or a total dividend of $98.80.

Would you consider it advisable to make this transfer or would you advise holding these stocks with the hope that they will eventually advance in price and be placed on a dividend basis?

Tip Top Tailors earned 9 cents a share on 122,500 no par value common shares in the year ended January 2, 1932. This compares with $1.11 per share in the preceding year, $4.09 a share in 1929 and $4.24 a share in 1928 after deducting a full year's dividend on the preferred in each case. One reason for the low earnings on the common stock in 1931 was that the company wrote off to depreciation $147,865 as compared with $97,598 in 1931 and $58,691 in 1929. The income tax reserve reduction fell off $50,000 in 1929 to $9,000 in 1931. Net profits from operations were $72,883 as compared with $218,582 in 1930 and $584,292 in 1929. On the other hand other income advanced from $18,615 in 1929 to $33,240 in 1931. The net profit was $106,123 and covered preferred dividends of $94,637. The company's surplus now stands at $1,032,242.

As yet the company owes the bank nothing, its working capital is strong, current assets being 7.53 times current liabilities. These results have been achieved by the company in the face of two very difficult years in the clothing business. The difficulties have continued in 1932 to a large extent.

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Conquest of Depression

Exit Hard Times

"Canada Comes Through" tells the story of Canada's striking conquest of economic troubles in the following panics and depressions:

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1893—the dying thrust of the long price decline;
1907—not so bad in Canada but hard on other countries;
1913—the worst effects of which were deferred by the war;
1922—when "the Whisper of Death" was heard in Canada;
1929-32—from which Canada will again emerge triumphant.

Depressions Not New to Dominion

THE FINANCIAL POST has issued in pamphlet form a series of articles, which it published, dealing with the ten depressions which Canada has experienced in one hundred years. These were written by the editor, Floyd S. Chalmers, and have a timely interest in view of the evidence that the Dominion is emerging steadily from the great economic dislocation extending from 1929 to 1932.

The depression just ending had been regarded by many timid souls as presaging the end of the world. By this time next year they may be as scarce as pessimists were in 1929. As Mr. Chalmers observes, depressions always look worse when they are on than when viewed in the cold light of history.

—Editorial from the Calgary Herald.

RECENTLY The Financial Post published a series of eleven articles on the ten depressions that Canada has come safely through in the last one hundred years, and on the eleventh which she is now experiencing. Tremendous interest was shown by many readers in these articles; they have now been reprinted in the form of a small booklet which is available at nominal cost.

This is a striking record of economic conquest; of Canadian growth through good times and bad. It inspires courage and faith in our ability to go on from the present crisis to new and greater developments.

A study of economic history makes us wise. We understand the present depression and its problems better when we understand previous similar periods. Reading this booklet is a pleasant duty for every business man.

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Citizens Must Stem Tide of Annual $47,000,000 Fire Loss

FIRE WASTE HUGE DRAIN ON DOMINION

Greater Part of Loss is Avoidable if Citizens Co-operate

TIME FOR ACTION

Annual Out-of-Pocket Loss Over $50,000,000, While Total Annual Cost Now $100,000,000

During the week of October 9, citizens of Canada are being urged to take cognizance of the appalling toll taken each year by fire in our national economy. In recent years the actual out of pocket drain on national income and productivity from fire loss has reached almost the $50,000,000 mark, which sum must be doubled if the unproductive expenditure on fire protection and insurance be added.

This would be appalling enough even if it were the irreducible minimum below which fire loss might not reasonably be expected to drop, but when it is appreciated that probably three-quarters of this loss is occasioned by sheer carelessness and apathy on the part of citizens and that on a per capita basis this loss is nearly ten times larger than that experienced by five of the leading European countries, the pressing need for fire prevention in Canada becomes all too apparent.

Appeals to Citizens

The appeal of the Dominion Fire Commissioner may well be heeded by all citizens. He says in part.

"Fire waste is real squandering. All wealth destroyed by the flames is gone beyond recall. Paper values may shrink, stock markets collapse, financial machinery cease to function and commerce itself face bankruptcy but these vicissitudes of fortune destroy no actual wealth. They are but adjustments of our credit structure to meet changing conditions. Canada's ash heap is not built of such abstractions. It is composed of physical values produced by brain and hand and is paid for by means of a gigantic tax that falls inescapably upon every man, woman and child in the land. Through insurance channels, fire waste contributes to the cost of everything we eat, drink and wear. None can evade its impoverishing influence nor can they conscientiously ignore their responsibility to assist in curbing its disastrous consequences.

"It must not be forgotten that when industrial plants and large commercial establishments are attacked by fire; numbers of employees are permanently or temporarily thrown out of work. Last year, more than 80,000 persons were thus affected. In ten per cent of the large loss fires the businesses were altogether abandoned. Burned property pays no taxes and an increased charge must, therefore, be levied upon citizens whose property remains intact.

Seventy Per Cent in Dwellings

"Most indefensible of all in the fire record is the fact that seventy per cent of the fires in Canada occur in dwellings. During the past ten years, 210,000 houses and 42,000 outbuildings sustained damage exceeding $112,000,000. Roughly in this period a fire occurred in one out of every ten dwellings in Canada. Of the hundreds of lives annually lost through fires, sixty per cent of fatalities occur in the home. In the year 1931, it was reported that 47 men, 78 women and 126 children were burned to death. This year, up to the end of September, 286 fire casualties have taken place. Surely such a wanton waste of life should arouse the most indifferent to action.

"Can this destruction of life and property values be avoided? Of course it can. Ninety per cent of the fires are avoidable because they are caused by sheer carelessness. It is in an effort to bring this fact home to every individual in the land that the Dominion Government has instituted Fire Prevention Week. With the active co-operation of the provincial and local governments it is hoped that the campaign will effectively reach every municipality, every industry and every public school in the Dominion.

"Records covering the past ten years illustrate in striking fashion the extent of our colossal fire losses. During that period, 407,000 fires in Canada have destroyed property valued at over $415,000,000. In addition, 3,514 lives were lost in burning buildings and 9,067 persons were seriously injured by fire. These figures do not take into account our losses in forest fires.

"In the year 1931, there were reported 49,284 fires with a property loss of $47,120,000. That, however, was not the total cost of fire. To it must be added the incidental cost of insurance protection and the cost of maintaining municipal fire departments and water supplies for fire extinguishing. Including these items, Canada last year incurred an unproductive expenditure of over $100,000,000 through fire, or roughly $200 for every minute in the year.

"Most vital of all is an awakening of the public conscience to the fact that the carelessness of individuals with regard to fire imposes an inescapable burden upon the nation at large In Great Britain, where this responsibility is more fully recognized, the number of fires per annum is less than one-quarter of the number of fires in Canada. In 1931, fire losses in the United Kingdom with its fifty million people amounted to only $51,000,000 or just over one dollar per capita as compared with $4.50 per capita in Canada. As a matter of National pride, this comparison should arouse the whole Dominion to the seriousness of the situation and should convince every individual of his or her obligation to join in this crusade against the senseless destruction of life and property by fire."

FOUR COMMUNITIES RECEIVE AWARDS IN CHAMBER DRIVE

Entries Doubled in Second Fire Prevention Contest by C. C. of C.

Winnipeg, Oshawa, Kenora and Kentville, N.S., have been declared winners in the second annual fire prevention contest staged among member boards of trade and chambers of commerce by the Canadian Chamber of Commerce. Announcement of the winners was made at the annual meeting of the association held in Halifax recently.

Each municipality receives a silver shield which it retains for a year. Three of this year's winners were successful in 1931 and therefore will continue to hold the award gained a year ago. The newcomer this year is Winnipeg which ousted the leadership of Class I cities from Hamilton which held the award last year. Class I cities are those of 50,000 population or over.

Officials of the Canadian Chamber are pleased that entries in the second annual contest were double those of a year ago. During 1932 no less than 35 organiaztions reported to national headquarters on their fire prevention activities while 23 of these participated in the competition as against 11 a year ago. Over 50 per cent of the contestants report lower fire losses for the year.

As a result of the growing success of this fire prevention work, the chamber plans a very intensive campaign for 1933 according to Wendell Mc. L. Clarke, secretary. Monthly releases will be sent out with a view to aiding fire prevention programmes among boards of trade. The first of these will shortly be published and will carry a message from J. Grove Smith, Dominion Fire Commissioner, on board of trade participation in fire prevention. Fire insurance companies and other national bodies interested in fire prevention will also send messages to members through this means.

Entries in the chamber contest for 1932 were as follows:

Class I — (Population 50,000 and over) — Winnipeg, Man.; Hamilton, Ont.; Windsor, Ont.

Class II—(15-50,000 Population)—Oshawa, Ont.; Sherbrooke, Que.; Niagara Falls, Ont.; Port Arthur, Ont.; Peterborough, Ont.; Sault Ste. Marie, Ont.

Class III—(5-15,000 Population)—Kenora, Ont.; Dartmouth, N.S.; Medicine Hat, Alta.; North Battleford, Sask.; Prince Albert, Sask.; Brockville, Ont.; Sudbury, Ont.

Class IV—(Under 5,000 Population)—Kentville, N.S.; Summerside, P.E.I.; Athabasca, Alta.; Fernie, B.C.; Fort Erie, Ont.; Emerson, Man.; Thorhild, Alta.

An Ounce of Fire Prevention Would Have Saved This

Firemen poured tons of water into this building before the fire demon was checked. It would not have been necessary if ordinary caution had been exercised.

Personal carelessness causes 80 per cent of Canada's annual fire loss.

Make fire prevention week the starting point in a personal effort to reduce the fire hazard to a minimum in your home, office, factory and community.

Burden of Fire Toll Costs $50 Per Family

Economic Welfare of Canada Demands That Corporations and Individuals Alike Awake to Need For Curbing Fire Loss

By W. H. SHAPLEY,
President, Dominion Fire Prevention Association

Fires have greatly increased in numbers of recent years and it is more than ever apparent that personal carelessness is largely to blame. Very particularly do I call attention to the rapid increase of fires in dwellings caused by negligence with heating equipment and by careless smokers. We have constantly in our educational campaigns sought to impress upon the people the danger to life and property of negligence with commonplace fire hazards but apparently a more effective method must be sought.

I was recently greatly impressed with the record of fire losses in the United Kingdom as compared with losses in Canada. With 46 millions of people and tremendous property values at stake, losses in Great Britain during the past ten years have been about the same as in Canada. On a per capita basis, the comparison is 96 cents in Great Britain as against $4.61 per head of the population in Canada. Including the value of property destroyed, insurance protection and the cost of maintaining fire departments the people of Canada are taxed over $100,000,000 per annum, or roughly, $50 per family in the Dominion. Whether such a remarkable contrast be due to less flammable building construction or to the more careful habits of the people, it is clear that we have much yet to learn from the Old Land.

Technical Progress Made

Along engineering and technical lines, we have made considerable progress. Our fire departments are better equipped and manned than ever; the automatic sprinkler is today a greatly improved device; we more fully understand how to handle dangerous substances and liquids with safety, and in a hundred ways our equipment for preventing fires and the spread of fires has been perfected.

In this connection, I would again call attention to the benefits to be derived from automatic sprinkler protection in all large commercial and institutional buildings. More than 3,000 systems are now installed in Canada, fire losses in buildings so protected have been reduced to the minimum and the insurance savings accruing have been sufficient in most cases to quickly pay for the original cost of the systems. Owing to the depression, very few sprinklers were installed last year but in the present year we hope to secure a favorable response to the recommendations we are making to numerous churches and institutions.

Canadian Board Appointed

One step now being taken in Canada that augurs well for increased fire safety is the decision of the National Research Council to undertake the testing, approval and standardization of materials and devices. This work heretofore has been done exclusively by the Underwriters' Laboratories at Chicago and while no criticism could be made of American practices it has long been felt that Canada was sufficiently developed to establish her own national requirements. Under the direction of Dr. Tory, we are assured that the work will be well done in the country's interest.

In conclusion, I would impress upon the commercial interests of the Dominion the fact that invariably a successful business has a better fire record than its less prosperous competitors. I do not mean to say that fire prevention will change a losing business into a profitable one but that fire prevention is one of the elements of sound economics which make for success in the commercial world. If fire prevention is good business, the converse is true that fire waste is bad economics.

Applied to the larger sphere this means that if Canada is to take a leading place among the world's crucial commercial rivalries, we must function on principles that will stand the test of economic soundness. Taxed on every hand almost to the limit of endurance, it is a sad commentary upon our common sense that we permit in Canada the utter destruction of almost fifty millions of dollars and hundreds of lives every year through carelessness with fire.

Movie Theatres Hold Record For Prevention

Motion picture theatres in Canada now rank the highest of any class of property in respect to fire control, according to a special report prepared by the Dominion Fire Commissioner at Ottawa.

During the past year the loss incurred by 19 film fires in Canadian theatres amounted to only $4,300. This constitutes a record, particularly when it is remembered that the 1,820 operating theatres in Canada represent a real property value of over $45,000,000 and annually project approximately 2,880,000,000 ft. or 546,000 miles of highly inflammable film.

Credit for this excellent showing is attributed to the efficient instruction of the provincial authorities, to the licensed operators who are directly responsible for safe projection and to Col. John A. Cooper, president of the Motion Picture Distributors' Association and executive members of the Dominion Fire Prevention Association for their enthusiastic advocacy of theatre safety requirements.

Some effort has been made toward a relaxation of the regulations now in force, but it is felt by those directly responsible for this excellent record, that under no pretext should anything be done which would jeopardize the high measure of safety which now exists in Canadian theatres.

MOST FIRES DUE TO CARELESSNESS ALBERTA FINDS

Poor Policy to Curtail Work of Prevention During Depression

By HENRY BRACE
Alberta Fire Commissioner

There never was a more urgent need of maintaining, and where possible increasing fire prevention work, rather than treating it as one of the phases of business expense which should be curtailed during times of depression.

In Alberta we take the matter of fire prevention very seriously and the officers of our department are continuously on duty twenty-four hours of the day and three hundred and sixty-five days of the year.

Fire prevention with us is our business the year around. The greatest criminal we have to pit our wits against is "carelessness." Next to this comes the "fire-bug." This arch-enemy of mankind is prepared at all times to risk the lives and property of others in an attempt to obtain money by fraud. This criminal does not confine his activities to any particular country but plies his trade the world over, but unfortunately owing to the great difficulty experienced in the detection of this class of crime the criminal often goes unpunished. Also juries throughout our country are prone to harbor mistaken sympathy for the criminal on the ground that it is the insurance companies, the rich corporations, who are the only losers, overlooking the fact that the insurance companies are not philanthropic institutions and the excessive fire loss waste is directly reflected in the rates paid by the honest insured.

Although the insurance companies do everything in their power to prevent the crime of arson, nevertheless, they cannot wholly be absolved from criticism in this connection; unwillingly the human element enters into this situation. The desire of company representatives to increase their commission on business written often results in over-insurance, and in many cases lays the foundation for a motive to commit this crime.

I am firmly of the opinion that the place to start an educational campaign of fire prevention is within our schools, but here again the fire prevention officials meet with difficulties owing to the curriculum being over-loaded with other subjects, which the educationists in many cases consider of more importance.

Examining statistics over a period of years on file in the Alberta department the analysis works out approximately as follows: 75 per cent of the outbreaks were due to carelessness and 16.3 per cent to incendiarism, that is to say, that less than nine fires in each one hundred were due to really accidental circumstances, the other ninety-one were either deliberately set or were caused by negligence.

Carelessness in Homes Is Now Major Problem Of Nation's Fire Waste

Fire Loss Lower Despite Depression

Despite the fact that 1932 has been a year of acute business depression, estimated fire losses in the first eight months are nearly 25 per cent below the corresponding figure for 1931.

One lesson to be learned from this encouraging fact is that depressions do not necessarily mean a high fire loss because during depressions most citizens are more careful in their habits and mode of life than in the heyday of prosperity. It is carelessness that is at the root of most of Canada's fire loss and experts tell us that from $35,000,000 to $40,000,000 a year could be saved to Canada if individual citizens would simply exercise more care in matters pertaining to fire hazard.

Fire Prevention week offers an excellent starting point for a new and lively appreciation of the need for carefulness in this important matter.

Fires Occur in 60 Canadian Dwellings Every Day of the Year

PUBLIC ARE INERT

Realization of Tremendous Wastage of Life and Property Needed to Cut Phenomenal Fire Losses

Notwithstanding the substantial reduction of fire losses in commercial and industrial properties in Canada during recent years, fires in the supposed less hazardous classes of property show a startling increase both in number and in the volume of loss.

Ten years ago the greatest proportion of Canada's fire loss took place in large manufacturing and mercantile establishments. In an effort to curb the rapidly increasing tide of waste, fire prevention officials and interested organizations concentrated their energies upon the widespread advocacy of fire-resistive construction in projected buildings and automatic sprinkler protection in already existing buildings and in new buildings where hazardous processes and valuable stocks are maintained. The insurance companies gave substantial recognition to such protective and structural improvements through reduced premium rates for insurance and as a result 75 per cent of the more important commercial buildings erected of recent years are of full or semi-fire-resisting type and automatic sprinklers have been installed by thousands of property owners throughout the Dominion.

Dwellings Now Worst Hazard

Within the past few years an almost phenomenal change has taken place in the fire waste problem. The industrial or mercantile risk has given place to the humble dwelling as the paramount incendiary. Losses in residences and apartments of a private or semi-private character have increased to a point where some well considered action should immediately be taken.

The problem in itself is more difficult to solve than was the case with commercial buildings. Regulatory measures in respect to the construction, operation and maintenance of the home are practically non-existent and periodical inspection is not provided for nor made obligatory. Nor is it certain that even the most stringent requirements would improve matters. Our records show that the overwhelming preponderance of dwelling fires arises from causes having their roots in personal negligence. The chief avenue of improvement, if not

(Continued on page 13)

PUBLIC EDUCATION AIM OF MARSHAL FOR NOVA SCOTIA

That the fire prevention surface has only been scratched in Nova Scotia is the remark of J. A. Rudland, fire marshal of that province in commenting to The Financial Post on fire prevention work in Nova Scotia. "The room for improvement in this field is very great. Improvement, in my opinion, can only come through public education and in this province we believe that results along educational lines can best be obtained in our schools."

Annual reports are made by the fire marshal to the board, showing statistics of all fires reported during the year and analyzing these in various ways. It is interesting that the first report submitted showed a loss of $3,545,000 indicating a per capita tax of $6.75 for that year. The latest report gives a loss of $1,589,000 with a per capita tax of less than half the figure of 10 years ago at $3.10.

"There has thus been material improvement," says Mr. Rudland, "in the fire loss conditions during the period under review, but it is still much too great each year and efforts made with its reduction in view should be redoubled. This is certainly no time for decreasing fire prevention activities."

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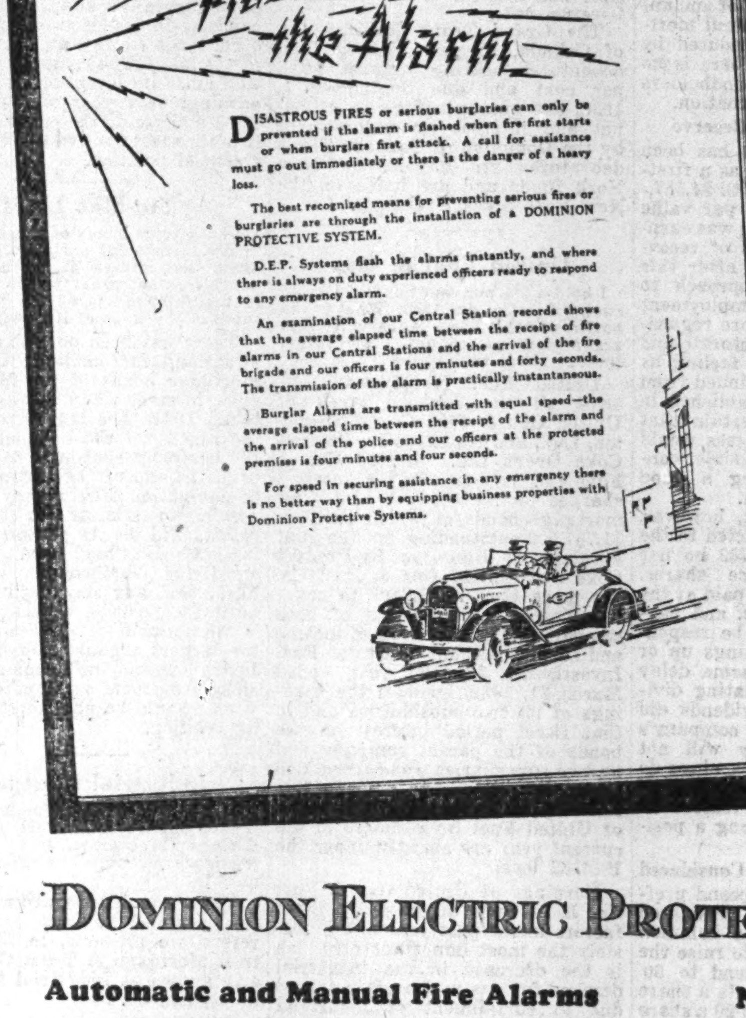

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Canada's Carelessness In Matter of Fire Loss Besetting National Sin

Eighty Per Cent of Dominion's Annual Fire Toll is Preventable if Individual Carelessness Could be Eliminated, Says Ontario Official

INSURANCE PREMIUMS REFLECT COST

Canadian Policyholders Forced to Pay Five Times Insurance Rates in Force in Great Britain as Result of National Apathy Toward Fire Prevention — Cure Rests With Citizens and Business Leaders

By GEORGE F. LEWIS
Deputy Fire Marshal of Ontario.

Wastefulness is one of Canada's besetting sins and fire waste is an economic crime caused principally by carelessness and criminal indifference. Nature has been bounteously lavish and yet two of her most generous gifts of wealth to the nation—farm and forest products—are the greatest sufferers in the epidemic of fire.

The destruction of our natural resources and created wealth by fires that are largely preventable, at a time when the country is laboring to adjust its economic structure, is a serious handicap in re-establishing prosperity. What is burnt is irretrievably lost.

Insurance is Vital Link

Like any other concern that is conducted on safe and practical business ethics an insurance company must sell its products at a profit if it is going to stay in business.

If underwriters' losses from fire are in excess of income, in connection with a certain industry or municipality, they can do one of two things—either raise the rates to a figure that will make it pay to carry the risk, and which may result in handicapping the industry from a competitive standpoint; or refuse to insure the hazard. This would be a calamity. If the commercial or industrial interests cannot get fire insurance they cannot get credit and if they cannot get credit they cannot stay in business.

"Credit" is the foundation on which trade and commerce of the world is built and "fire insurance" is the keystone, the essential element which completes the structure, locks its members together, and makes it safe and permanent.

Millions are loaned on the stroke of a pen almost every day in the year. The merchandise which enters into the transaction may be a thousand miles or more away, but the deal is made safe by another stroke of the pen and a fire insurance policy comes into being.

It is estimated that 97 per cent of the world's trade and commerce is transacted on credit, showing that the cash business amounts to only 3 per cent. To make these enormous transactions possible it is necessary that the commodities of "credit" and "fire insurance" be cheap. They are cheap—possibly the cheapest things in the commercial world today—and too easily obtained by certain unworthy classes of the community. As these main arteries are necessary in the legitimate transactions of trade and commerce; so also are they taken advantage of in the illegitimate transactions of deception and fraud by the criminal classes.

Too Easy to Get

We continuously hear complaints from mercantile interests of dishonest methods resorted to by a section of the foreign population in business dealings, who apparently are able to obtain large amounts of credit and fire insurance without difficulty and frequently resort to all kinds of deceptive and underhand means to attain their object.

In 1931 the cost of maintaining the Ontario ash heap amounted to $15,959,308—divided among 15,590 fires. There were 10,897 fires in Ontario homes representing unnecessary destruction and waste of over three and a half million dollars.

To help, aid, and abet the bug-a-boo "depression" more than thirty-two million dollars were melted up in fires during the last two years in this province. During the same period the total losses in Canada amounted to more than ninety-three million dollars—an average of five fires every hour of the day and night. Such waste is deplorable especially when fully 80 per cent of it is preventable. This destruction of our substance is gradually, but nevertheless effectively impoverishing our people.

Ten Times Too High

Fire losses in Canada, on a per capita basis, are ten times greater than the average of the five principal European countries in normal times. The insurance premiums in Canada are approximately five times more than the English rates; and our fire waste is about five times as great on a per capita basis. As long as the fire loss is excessive insurance premiums are bound to be high—and the public must pay the bill. The insurance companies collect small amounts from the many and pay large sums to those that have fires. When losses are excessive in a certain classification or industry the business is penalized by increased rates. The underwriters base the insurance key rate of a municipality on the general hazards that exist and the fire protection provided to offset or counteract the menace. To do this they had to establish a standard to fire protection. Consequently a town is penalized in proportion to its deficiencies in meeting these standard requirements.

To men of business experience it should not require much argument or persuasive effort to induce them to adopt the principles of fire prevention as a most desirable economic policy, if for no other than selfish reasons—in order to husband our national strength and conserve our natural resources and created wealth.

With a continual increase in preventable fire waste it would seem as though the people are committed to the destruction rather than the construction of our country's bulwarks. It is obvious that we cannot continue to burn our material resources at the present rate without courting more disaster. Concerted action should be taken to stop this sapping of our commercial strength and vitality.

Cure Rests With Citizens

The cure rests with the public. It has been demonstrated time and again under varying practical conditions in different municipalities that fires can be prevented under stress of circumstances when the public mind is fire conscious. It has also been demonstrated that fires again start up as soon as the special efforts are relaxed. The effort is worth thirty seven million dollars a year. What a splendid contribution this would be to Canada's economic betterment.

The progress and prosperity of the province and dominion is effected in proportion to the suffering of the city or town through the loss by fire of a factory or other institution that is functioning to maintain its industrial life, when the circulation of the regular payroll is cut off.

The loss of a building through fire is a double liability to the community for it removes from the assessment roll one of the income producing properties of the town.

Proper Attitude in Europe

In European countries with only a fraction of the rate charged, the insurance companies are making money on underwriting but of course their losses are proportionately low. Conditions are different, people are more careful, those who have fires are in some places guilty of arson until they can prove their innocence. It is a common assumption in this country that every man who has a fire is unfortunate and is to be pitied. In Europe a person having a fire is looked upon as a public offender, and may have to make restitution according to the existing liability laws.

Outside of the acts of the incendiarist it is difficult to understand why people permit conditions to exist that result in burning up their hard earned dollars and precious lives. Every bit of energy, initiative, resourcefulness and practical economy is needed to help adjust present turbulent conditions.

BRITISH COLUMBIA PREVENTION WORK PAYS BIG DIVIDEND

Activities of Fire Marshal Cut Fire Losses in Recent Years

By T. A. THOMAS
British Columbia Fire Marshal

Fire protection in British Columbia is fairly well organized.

In the majority of our cities and municipalities regular inspections are made by the assistant fire marshals. In 1931, 72,821 inspections were made by the assistant fire marshals and 6,852 orders issued to remove hazardous conditions.

The result of this work is shown particularly in Vancouver which has about 50 per cent of the population of the province. In this city the fire prevention work is thoroughly organized. A staff of 12 men who are members of the fire department under a captain are employed constantly in fire prevention and investigation work. As a result in 1931 the city's fire loss was reduced by one million dollars over the previous year. Our records for the first six months of 1932 show that they have further reduced their loss by $80,000 dollars and I am advised that the good work is continuing for the latter part of the year.

Brings Cash Results

It is obvious that if we are to control the fire loss in Canada that this work of fire prevention must be carried on regardless of financial conditions of the different cities and municipalities.

The fact that 6,595 potential fires were put out before they started in British Columbia in 1931 means a saving to the people of this province that it is hard to estimate. Any suggestion that this work should be curtailed for want of support by the citizens and the different councils would be simply asking for an increase in our fire losses which even at the best are greater than we can afford.

Walkerville Holds 1931 Record Among Large Canadian Cities

Per capita fire loss figures for 1931 as compiled by the Department of Insurance at Ottawa show Walkerville, Ont., with the best record for 1931. Fire loss in that municipality dropped from $12.75 a year ago to no less than 14 cents in 1931. The savage blaze which whipped Saint John's waterfront a year ago cost the city $53.20 per capita, it will be noticed.

Comparative figures follow:

FIRE LOSSES IN MUNICIPALITIES WHERE POPULATION EXCEEDS 10.000

Municipality	Population 1931	Total property loss 1931	Loss per capita 1931	Loss per capita 1930	Loss per capita 1929
Ontario—		$	$	$	$
Belleville	14,059	18,645	1.33	2.30	9.29
Brantford	30,500	40,680	1.33	6.82	1.37
Chatham	15,000	95,000	6.33	5.10	17.46
Cornwall	11,082	13,785	1.24	0.83	1.16
East Windsor	14,241	17,495	1.23	1.04	0.95
Fort William	26,222	84,371	3.22	33.96	1.64
Galt	14,200	20,050	1.41	2.61	0.42
Guelph	20,754	78,406	3.78	1.52	0.96
Hamilton	154.000	280,609	1.82	3.84	3.86
Kingston	21,700	137,949	6.36	6.41	11.72
Kirkland Lake	11,000	7,926	0.72	0.91	2.21
Kitchener	32,000	51,145	1.60	3.60	0.67
London	73,173	174,209	2.38	2.28	2.47
Niagara Falls	19,000	88,170	4.64	1,01	2.02
North Bay	16,554	41,393	2.50	4.89	4.85
Oshawa	24,600	32,978	1.34	2.95	1.55
Ottawa	150,000	961,300	6.41	3.70	8.18
Owen Sound	12,000	14,675	1.22	1.43	3.92
Pembroke	10,000	11,446	1.14	0.56	1.93
Peterboro	22,812	44,035	1.93	0.92	3.32
Port Arthur	19,430	237,156	12.21	20.46	1.81
St. Catharines	26,300	42,189	1.60	0.38	0.95
St. Thomas	17,000	2,576	0.15	1.40	2.48
Sandwich	11,076	7,521	0.68	1.19	13.42
Sarnia	18,000	7,515	0.42	2.71	1.70
Sault Ste. Marie	24,350	133,860	5.50	8.29	6.82
Stratford	18,869	57,012	3.02	0.14	1.20
Sudbury	19,900	62,460	3.14	2.12	2.64
Timmins	15,000	96,220	6.41	1.10	3.74
Toronto	650,000	1,393,954	2.14	2.12	2.06
Walkerville	10,079	1,410	0.14	12.75	0.64
Welland	10,874	18,975	1.74	3.27	2.85
Windsor	65,565	73,163	1.12	1.10	0.68
Woodstock	10,500	6,015	0.57	0.63	38.98
Quebec—					
Chicoutimi	11,684	43,943	3.76	5.38	7.85
Granby	......	......	...	0.47	0.07
Hull	29,432	93,883	3.19	1.74	0.82
Joliette	10,900	112,152	10.39	2.22	5.05
Lachine	19,026	31,963	1.68	3.54	2.72
Lévis	12,000	6,843	0.57	5.03	1.35
Montreal	1,127,949	4,055,008	3.60	3.44	3.39
Outremont	28,000	43,034	1.54	1.34	1.61
Québec	140.000	1,265,910	9.04	3.13	4.49
St. Hyacinthe	14,000	8,770	0.63	0.49	2.06
St. Jean	11,400	63,300	5.55	1.81	0.58
St. Jerome	10,000	38,550	3.86	1.27	1.37
Shawinigan Falls	15,214	27,092	1.78	2.50	0.66
Sherbrooke	28,757	25,704	0.89	1.18	0.58
Thetford Mines	10,188	35,872	3.52	0.60	1.59
Three Rivers	40,000	120,608	3.02	2.84	2.78
Valleyfield	12,000	20.715	1.73	16.11	1.32
Verdun	60,000	37,727	0.63	0.89	0.70
Westmount	23,500	47,245	2.01	3.15	3.19
Manitoba—					
Brandon	18,000	10,390	0.58	0.79	5.14
St. Boniface	16,500	44,359	2.69	6.21	7.94
Winnipeg	215,768	981,761	4.50	3.20	3.63
Saskatchewan—					
Moose Jaw	21,000	36,745	1.75	6.20	6.23
Prince Albert	10,000	40.123	4.01	4.28	1.41
Regina	55,000	207,057	3.76	3.75	3.35
Saskatoon	45,000	288,908	6.42	1.99	5.52
Alberta—					
Calgary	85,000	408,234	4.80	2.29	3.68
Edmonton	79,059	285,923	3.62	2.67	6.71
Lethbridge	14,000	19.954	1.43	1.25	4.43
Medicine Hat	10,310	60,360	5.85	0.43	8.51
British Columbia—					
New Westminster	18,000	69,798	3.88	0.55	34.67
North Vancouver	10,000	29,848	2.98	0.75	10.57
Vancouver	246,593	471,141	1.91	6.52	3.03
Victoria	48,000	162,137	3.38	0.56	0.84
Nova Scotia—					
Glace Bay	20,000	120,624	6.03	1.06	2.58
Halifax	70,000	195,690	2.80	3.80	2.72
Sydney	25,000	183,053	7.32	1.89	3.14
New Brunswick—					
Moncton	21,000	111,633	5.32	3.43	5.42
Saint John	56,000	2,926,793	53.21	4.79	6.52
Prince Edward Island—					
Charlottetown	12,500	156,428	12.51	2.38	6.44

PROPER INSPECTION BY FIRE FIGHTERS THOUGHT NEEDFUL

Carelessness in Home Major Fire Loss Cause Says Quebec Official

By F. X. AHERN
Fire Prevention Engineer, Province of Quebec

The office of the provincial Fire Commissioner of Quebec attends to fire protection as well as to fire prevention.

The Minister of Public Works of the province has, each year, at his disposal, an amount of $200,000 which is used to help out municipalities desirous of installing or improving fire protection systems.

From our statistics, we find that losses by fire, last year, in Quebec, amounted to $12,085,135, that 51 persons were killed and 216 were injured.

The losses for 1931 were due to 21,111 fires; the insured loss was $7,693,226, while the uninsured loss amounted to $4,391,909.

Carelessness Responsible

It is an undoubted fact that the very great number of fires are due to the carelessness of individuals in and around their homes. In fact, by again referring to the statistics, it is found that, of the total number of 21,111 fires which occurred, 15,685 were in dwellings and caused a loss of $3,481,569 of the total loss of $12,000,000.

During the last 10 years, the number of fires in dwellings has increased almost 100 per cent and, during 1931, almost 80 per cent of the fires reported are attributable to carelessness.

Publicity is a splendid way of drawing the attention of the public to this loss, but inspection, proper inspection of our dwellings by competent municipal officials is, certainly, the most efficient way of obtaining lasting and beneficial results.

I sincerely believe that if annual or semi-annual house to house inspections were made by the fire department of every town in Canada, our fire loss in this occupancy class would be materially reduced.

CARELESSNESS IN HOMES IS NOW MAJOR PROBLEM OF NATION'S FIRE WASTE

(Continued from page 12)

the only one, must be through public education enforced by measures designed to make wanton negligence a source of loss and a public offence instead of a source of gain and an objective for public sympathy.

During the ten-year period 1922 to 1931, both inclusive, fire damaged or destroyed 210,149 dwellings and 42,519 barns, sheds and outbuildings with a combined loss of $112,046,730. Further, of the 3,000 lives destroyed by fire in that period, 1,983 fatalities occurred in dwelling fires. Comparing urban with rural districts, 145,217 fires involving a loss of $63,919,423 occurred in cities towns and villages having some form of public fire protection and 107,451 fires with a loss of $48,127,307 occurred in suburban and rural areas where no form of organized protection was available.

Roughly, during the period under review a fire occurred in one out of every ten dwellings in Canada. Every day in the year for ten years sixty fires have occurred in Canadian homes and every other day a funeral cortege has borne to its last resting place the victim of a dwelling fire. Place each dwelling on a fifty foot lot and you have a street a thousand miles long, with buildings on either side and in every one a fire has occurred within the past ten years.

Fires in Dwellings, 1922-1931

Year	Number of fires	Amount of loss
1922	16,041	$7,057,686
1923	17,789	7,686,955
1924	16,943	6,998,478
1925	19,166	7,653,204
1926	18,581	8,321,006
1927	19,304	7,830,925
1928	21,216	8,742,883
1929	22,461	11,436,385
1930	24,103	11,625,274
1931	*34,545	13,504,212
Total	210,149	$90,857,003

*Includes approximately 7,000 small fires in which insurance losses were paid but fire departments were not called. Such fires, numerically considered, were omitted in former years although the loss occasioned thereby was included in the total loss

Analysis of the reported causes of fires in dwellings is fairly conclusive evidence that the great majority have their inception in personal negligence. The extent of the loss occasioned by each fire depends upon other factors, such as, the type of construction, the adequacy of available protection and the value subject to destruction. At the moment, let us consider the various ways in which dwelling fires are said to have started:

Origin of Fires in Dwellings, 1922-1931

Reported cause:	No. of fires	% of known causes
Smoking and matches	38,970	26.8
Defective and overheated furnaces, stoves & pipes	26,895	18.5
Defective and dirty chimneys and flues	18,966	13.0
Exposure; sparks on roofs	15,608	10.7
Electrical defects and appliances	13,724	9.4
Coal oil, gasoline and other volatiles	9,819	6.9
Hot ashes and coals, open fire grates	6,982	4.8
Lightning	5,916	4.0
Lamps, lanterns and open lights	3,570	2.4
Supposed incendiary	1,907	1.3
Ignition of grease, wax, varnish, etc.	1,714	1.1
Spontaneous combustion	1,085	...
Miscell. known causes	7,045	...
Undetermined causes	55,648	...

Deleting the fires caused by lightning, which might have been prevented by the installation of modern lightning rod protection, and the fires of supposed incendiary origin, it is apparent that practically all of the ascertained causes of fire lie within the limits of personal control. This fact would seem to contradict the oft-repeated saying that "all men have as their chief dread fire in the home." Fires in homes are not dreaded, in many cases they are invited. Modern careless habits are a tacit welcome to the flames. The day is still twenty-four hours long, half the drudgery of the modern home has been eliminated by mechanical devices but such are the demands of living that there is no time to check the furnace or to give thought to the elementary rudiments of safety. Last year, in the United States, the greatest number of fires and the largest loss in twenty states arose from heating apparatus and in eighteen other states from smoking. During the past three years, cigarette ends and matches carelessly discarded by people presumably too tired to find an ash tray have been largely responsible for the startling increase in dwelling fires in Canada. In this annual report for the year 1931, the Fire Commissioner of the Province of Quebec states, "We received 12,282 reports of fires where the loss was less than twenty-five dollars. These represent losses paid by insurance companies for incipient damages to rugs, furniture, clothing, etc." The remedy for such a situation does not lie within the field of fire prevention engineering; it is primarily a question for the psychologist or moralist.

INSURANCE AGENT SHOULD TAKE LEAD IN FIRE PREVENTION

Valuable Service to Client Can be Rendered in This Way

The part which the fire insurance agent can and should play in the cause of fire prevention and loss reduction has been aptly summarized by the publication a short time ago of a booklet entitled "Fire Prevention and the Insurance Agent" and prepared and issued by United States office of the London Assurance Co.

In addition to specific suggestions as to how agents can co-operate and organize fire prevention work in their community with the assistance of provincial and other bodies, the booklet makes the following straight forward appeal as to the reasons why fire insurance agents should be interested in fire prevention work.

"There can be no question about the fact that, of all businessmen, the fire insurance agent should be foremost in organizing fire prevention in his community. Let us dispose, once and for all, of the objection that the public may believe agents guilty of self-interest in promoting adequate fire protection and prevention. Savings by fire prevention are always passed on to the insuring public. But even were an agent actuated by selfish motives in getting behind this great movement, who shall condemn him for working toward saving lives and property?

"Convince yourself and your community first of all on this point: Fire insurance does not and cannot replace property. It merely distributes the loss; it is a fund to which the many contribute for the benefit of the unfortunate few. Our national ash-heap, costing the nation, each year, nearly half a billion dollars in property losses and the immeasurable value of twelve thousand human lives, is a public scandal.

"In these days when every expense is carefully scrutinized you, as an agent, must more than ever before justify your income. You must, increase your usefulness by helping to prevent fires so that the finger of economy may never point to your earnings as unjustifiable expense.

"But let us take note of a few of the immediately profitable reasons why agents should get behind the movement—fire prevention's dollar-value to you. First of all, insurance is a personal business. Your success depends, to a marked degree, upon the width of your acquaintance with men important in your community. Of all community activities, there is none in which it is more fitting for you to play the leading role. Competition, today, demands specific service to your clientele. None is more appreciated than sound fire prevention advice. Often your work will result in reduced premiums and almost irrevocably tie those clients to your agency.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION
LIMITED OF LONDON, ENGLAND
Fire - Casualty
WE SPECIALIZE IN ALL LINES OF INSURANCE EXCEPT LIFE
STANLEY G. REID, Manager for Ontario
JOHN FANNING, Asst.-Manager for Ontario
Montreal Toronto Winnipeg Calgary Vancouver

ATLAS ASSURANCE COMPANY LIMITED
of London, England
ESTABLISHED A.D. 1808
FIRE—AUTOMOBILE—ACCIDENT—INSURANCE
SUBSCRIBED CAPITAL $11,000,000.00
CAPITAL PAID-UP 2,750,000.00
TOTAL FUNDS (Including Life) 60,000,000.00
Western Branch: WINNIPEG — F. R. McDOWELL, Branch Manager
British Columbia Branch: VANCOUVER — H. B. LEUTY, Provincial Manager
HEAD OFFICE FOR CANADA: 414 ST. JAMES ST., MONTREAL
H. A. SULLIVAN, Assistant Manager
C. E. SANDERS, Manager

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY
A Symbol of STABILITY, SECURITY AND SERVICE IN THE COMMERCIAL LIFE OF THE EMPIRE.
The Largest Insurance Organization in the British Empire
Toronto Branch—1106 Canada Permanent Building
HEAD OFFICE FOR CANADA MONTREAL

FIRE PLATE GLASS
EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD. 1807
OF LONDON, ENGLAND
HEAD OFFICE FOR CANADA - TORONTO
J. H. RIDDEL, Manager
Branch Offices
Winnipeg Calgary Vancouver

Quick Settlement of all just claims IS OUR POLICY
New York Fire Insurance Company
Established 1832
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OFFICES IN CANADA
Branch Office — Metropolitan Bldg., Toronto
HEAD OFFICE — MONTREAL
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Fire Insurance since A. D. 1714
Union Assurance Society Limited
OF LONDON, ENGLAND
Head Office for Canada - Montreal
JOHN HOLROYDE, Manager. H. F. RODEN, Deputy Manager.
Toronto Office Lumsden Building
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The North West Fire Insurance Company
Offices at Montreal Toronto Winnipeg Vancouver St. John
JOHN HOLROYDE, Manager. H. F. RODEN, Deputy Manager.
Toronto Office: 12 Wellington St. East
BURRUSS & SWEATMAN LTD., General Agents for Toronto.

THE CANADA ACCIDENT AND FIRE ASSURANCE COMPANY
HEAD OFFICE: MONTREAL.
Offices at Montreal Toronto Winnipeg Vancouver St. John
JOHN HOLROYDE, Manager. H. F. RODEN, Deputy Manager.
Toronto Office: 100 Adelaide St. West
JONES & PROCTOR BROS. LTD., General Agents for Toronto.

Commercial Union Assurance Company
Limited of London, England
Head Office, Canadian Branch Montreal
JOHN HOLROYDE, Manager.
H. F. RODEN, Deputy Manager.
Toronto Office: 49 Wellington St. East
GEO. R. HARGRAFT & COY. General Agent for Toronto.

Palatine Insurance Company, Limited
Head Office, Canadian Branch Montreal
JOHN HOLROYDE, Manager.
H. F. RODEN, Deputy Manager.
Toronto Office: 100 Adelaide St. West
JONES & PROCTOR BROS., LTD., General Agents for Toronto.

Great American Insurance Company New York
INCORPORATED 1872
And Associated Companies
AMERICAN ALLIANCE INSURANCE CO. New York
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Representatives in all parts of the Dominion and always at your service.
Head Offices For Canada
465 St. John St., Montreal

ALLIANCE ASSURANCE COMPANY, LIMITED
OF LONDON, ENGLAND
ESTABLISHED 1824
Assets Exceed $130,000,000
(Including Life Funds)
FIRE - AUTOMOBILE - CASUALTY

THE WESTMINSTER FIRE OFFICE
OF LONDON, ENGLAND
FOUNDED 1717
GUARANTEED BY THE ALLIANCE ASSURANCE CO. LIMITED
FIRE - AUTOMOBILE

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APPLICATIONS FOR AGENCIES INVITED E. E. KENYON, Manager

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS IN RUBBER AND OTHER TRADES.
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS
MONTREAL TORONTO WINNIPEG VANCOUVER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que. Sault Ste. Marie, Ont.
Beaupre, Que. Iroquois Falls, Ont.
Sturgeon Falls, Ont. Smooth Rock Falls, Ont.
Espanola, Ont. Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Unfortunately, the people who use the towels you place in your washrooms are not very considerate of your money. If the first towel they use fails to dry thoroughly they are not bashful about taking a second . . . or a third . . . or a fourth . . . Clearly, it would be more economical for you to supply paper towels which were so efficient that ONE would do the job.

DUOTOWLS ECONOMICAL
Because Duotowls are double they are much more efficient . . . more economical. ONE Duotowl dries thoroughly . . . pleases users. Made of pure clean fibres . . . soft and kind to the skin. Yet they cost no more! Mail the coupon for free Duotowls. With these samples will come a free booklet which gives the advantages of this new product.

WINDSOR DUOTOWL

SEND TODAY
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407 McGill Street, Montreal, Que.
Please send me free several sample Duotowls and the booklet.
Name..........
Address..........
City.......... Province..........

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153 University Ave.,
Toronto.
Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.
Name..........
Occupation..........
Address.......... 99

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING OCTOBER 3

Range 1932 High	Low	Divd. Rate in $	Yield in % Oct. 1		Sales	Close Sept. 26 (or last)	Week Ending —Oct. 3— High	Low	Close
[illegible]									

Range 1932 High	Low	Divd. Rate in $	Yield in % Oct. 1		Sales	Close Sept. 26 (or last)	Week Ending —Oct. 3— High	Low	Close
[illegible]									

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 80c. extra paid Jan. 2, 1932.
§ Stock dividends of 2% each paid Sept. 1 and June 1; 25c cash paid March 1, 1932.
* Plus final div. of 17½c paid March 31, 1932.

Winnipeg Stock Exchange

(Transactions for week to Oct. 3)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 3
7	10.8	Crescent Cream. pfd.	10	65	65	65
..	....	Central Manitoba	100	6½	6½	6½
..	....	Gem Lake	1000	1	1	1
..	....	San Antonio	8500	65	63	64
..	....	Western Grocers	95	11	11	11
7	11.7	Do., pref.	19	60	60	60
..	....	Winnipeg Elec pref.	10	16	16	16

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Reliance Grain pf.	55	..
Beaver Lumb. pf.	78	85	Sovereign Life 25% paid	16	..
Can. Fire Ins.	60	68	Traders Bldg. Assn.	70	..
Can. Nat. Fire	14	..	Un. Grain Growers	11¼	14
City Dairy 7% pf.	..	50	Western Breweries	1½	2
City Dairy 8% pf.	..	80	West. St. Prod., pf.	..	30
Corporate Steel c.	..	5	Can. Amer. Tr. shs.	..	3¼
Great West Life	235	..	Fundamental Series "A"	..	3⅜
Home Invest. & Sav.	25	..	Fundamental Series "B"	..	3½
Monarch Life 10% paid	18	..	Grouped Inc. shs.	..	4.11
Nor. Can. Mtg. pf.	..	15			
Pelissiers pref	10	..			

*Stocks more active on other exchanges not included.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 4, 1932

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	20.00	23.00
Acadia Sugar 6% 1946	83.00	85.00
Alta. Pac. Grain 6% 1946	83.00	85.50
American Sales Book 6% 1939	103.00	....
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	90.00	93.00
Canada Biscuit 6½% 1946	26.00	30.00
Canada Bread 6% 1941	87.00	....
Canada Cement 5½% 1947	80.50	83.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	96.00	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	45.00	47.50
Can. Vickers 6% 1947	74.00	76.00
Cons. Invest. 4½% 1959	40.00	....
Cosmos Imp. Mills 6½% 1944	86.00	....
Davies, Wm., 6% 1942	81.00	83.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	75.00	77.00
Dom. Telegraph 5½% 1978 "A"	84.00	87.00
Dom. Textile 6% 1949	93.00	....
Dom. Woolens 6% 1948	.....	27.00
Donnacona Paper 5½% 1948	22.00	....
Eaton Realty 5% 1949	83.50	....
Famous Players 6% 1948	70.00	72.00
Famous Players 6½% 1948	55.00	56.50
Federal Grain 6% 1949	81.00	84.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	20.00	24.00
Gypsum, Lime & Alab. 5½% 1948	56.50	59.00
Harris Abattoir 6% 1947	86.00	....
Howard Smith 5½% 1953	62.00	64.00
Loew's Toronto 6% (Serial)	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	60.50	63.00
Massey Harris 5% 1947	74.00	76.50
McColl Frontenac 6% 1949	89.00	92.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	43.00	....
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	73.00
Price Bros. 6% 1943	41.00	43.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	65.00	....
Simpsons Ltd. 5½% 1949	70.00	....
Simpsons Ltd. 6% 1949	77.00	78.00
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	50.00	55.00
United Grain Growers 5% 1948	77.00	....
United Grain Growers 5½% 1949	82.00	....
Western Grain 6% 1949	74.00	77.00
Public Utility Bonds:		
Bell Telephone 5% 1955	107.50	110.00
Bell Telephone 5% 1957	107.50	110.00
B. C. Power 5½% 1960	86.00	90.00
B. C. Telephone 5% 1960	93.00	96.00
Calgary Power 5% 1960	86.00	89.00
Can. Northern Pwr. 5% 1953	81.00	84.00
Duke Price Power 6% 1966	70.00	75.00
Elec. Develop. 5% 1933	110.00	....
French Natl. Mail SS 6% 1952	114.00	120.50
Gatineau Pwr. 5% 1956	80.50	82.50
Gatineau Pwr. 6% 1941 Apr. 1	77.00	79.00
Inter. Pwr. 6½% 1957	58.00	61.00
MacLaren Quebec 5½% 1961	80.00	85.00
Manitoba Power 5½% 1951	62.00	65.00
Montreal Isl. Pwr. 5½% 1957	96.00	100.00
Montreal LH&P 5% 1951	106.00	108.00
Montreal LH&P 5% 1970	105.00	107.00
Montreal Tram. 5% 1941 July	98.50	100.00
Montreal Tram. 5% 1955	85.00	87.00
Northwest Utilities 7% 1938	89.00	98.00
Ont. Pwr. Service 5½% 1950	76.00	78.00
Ottawa Valley Pwr. 5½% 1970	95.50	97.00
Quebec Power 5% 1968	86.00	92.00
Rio Tramways 5% 1935	85.50	87.00
Shawinigan W & P 4½% 1970	78.00	81.00
Shawinigan W & P 5% 1970	85.00	88.00
Shawinigan W & P 6% 1937	95.00	97.50
Southern Can. Pwr. 5% 1955	93.00	95.00
West Kootenay Pwr. 5% 1956	91.00	94.00
Government Provincial & Railway:		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	98.75
C.N.R. 5% 1969 Dom. Gtd.	105.00	106.00
C.P.R. 4½% 1944	84.00	86.00
C.P.R. 5% 1954	95.00	98.00
C.P.R. 6% 1942	107.50	109.00
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	102.25	102.50
G.T.P. 3% 1962 Dom. Gtd.	75.25	77.00
G.T.P. 4% 1962 Dom. Gtd.	89.50	90.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	100.75
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	90.50
Prov. of N.B. 5½% 1950	103.25	104.00
Prov. of Ontario 4½% 1944	100.25	101.00
Prov. of Ontario 5% 1948	101.75	102.50
Prov. of Ontario 5½% 1947	105.00	105.50

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
October 4, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Oct.	90.00	5.20
Alberta	5	1 July, 1943	1 Jan.	94.50	5.68
Alberta	6	1 Mar., 1947	1 Mar.	102.50	5.74
*British Columbia	4½	1 Oct., 1953	1 Oct.	92.50	5.09
*British Columbia	5	15 Jan., 1948	15 July	97.50	5.23
British Columbia	6	15 Feb., 1947	15 Feb.	102.50	5.74
Manitoba	4	1 July, 1947	1 Jan.	82.50	5.76
*Manitoba	5	2 Dec., 1959	2 Dec.	97.00	5.20
Manitoba	6	1 Apr., 1947	1 Oct.	102.50	5.74
*New Brunswick	4	1 June, 1948	1 Dec.	90.00	4.90
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	104.50	5.12
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	97.75	4.69
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.88
*Ontario	4½	1 Sep., 1944	1 Mar.	101.50	4.33
Ontario	5	15 Oct., 1948	15 Oct.	102.50	4.78
Ontario	5½	1 Feb., 1947	1 Feb.	105.63	4.95
P. E. I.	4	1 Apr., 1939	1 Oct.	94.50	5.00
P. E. I.	6	1 May, 1947	1 Nov.	108.50	5.18
*Quebec	4½	1 May, 1961	1 Nov.	98.37	4.35
Saskatchewan	4½	1 Oct., 1944	1 Oct.	87.00	6.03
Saskatchewan	5	1 Oct., 1950	1 Oct.	91.65	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.75	5.93
*Newfoundland	5	31 Dec., 1952	31 Dec.	72.00	7.75
*Newfoundland	5½	1 July, 1939	1 Jan.	76.00	10.40
*Newfoundland	6½	30 June, 1936	30 Dec.	81.00	12.70
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.00	4.75
*Toronto	4½	1 Jan., 1955	1 Dec.	97.25	4.69
*Vancouver	5	15 Jan., 1970	15 July	91.00	5.58
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Oct.	89.00	6.69
Calgary	5	1 Jan., 1943	1 Jan.	87.00	6.74
Halifax	6	1 July, 1951	1 Jan.	106.00	5.48
Saint John	5	15 Dec., 1950	15 Dec.	95.36	5.39
Regina	4½	1 July, 1950	1 Jan.	76.75	6.75
Victoria	5	21 July, 1945	21 July	90.20	5.10
Quebec	5	1 June, 1948	1 Dec.	100.00	5.00

*Payable in New York.

Listed Bond Quotations

Week Ending Oct. 3

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	†21	...	...	46	19½
Asbestos	5	1942	...	16	...	...	65¼	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1943	...	...	...	...	‡98¾	...
Cedars Rapids	5	1953	5.00	105	100	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	50	50	...	*98½	95
McNish	6	1948	...	2.00	2.25	...	2.25	1.00
Mex. L. & Pr.	5	1940	...	...	...	...	*73¼	70½
Mont. L.H.&P. deb.	3	1939	...	43	43	42½	44	35
Mont. Tr. 1st mtg.	5	1941	5.37	98⅝	...	...	97½	90¾
Mont. Trams. "A"	5	1955	6.23	84⅞	85	...	85½	69¼
"B"	5	1955	7.45	84⅞	...	...	79¾	78¾
Do., "C"	4½	1955	...	77⅝	...	...	*85	84
Do., "D"	5	1955	6.62	84⅜	...	...	81	78
N. S. Steel	5	1959	...	†78	...	...	*62⅝	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	5.90	102	...	...	102⅛	100½
Wayagamack	6	1951	...	†41	...	...	*75	45
Winnipeg Elec.	5	1935	...	87	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Canada Bread	6	1941	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.38	109.63	....	....	107.00	102.00
Victory Loan	5½	1933	3.55	101.70	....	....	101.55	100.25
Do.	5½	1934	4.23	102.20	....	....	102.00	99.25
Do.	5½	1937	3.73	107.88	108.12	108.00	109.75	104.00
Do., refund	4½	1940	4.54	99.12	....	....	98.25	91.50
Do., refund	5	1943	4.70	102.38	102.50	....	102.50	95.38
Do., refund	4½	1944	4.61	99.38	....	....	96.75	89.50
Do., refund	4½	1946	4.66	98.25	98.25	....	92.25	91.50
Conversion Loan	4½	1956	4.76	97.75	....	....	91.50	88.25
Do.	4½	1957	4.84	97.85	....	....	90.50	88.50
Do.	4½	1958	4.68	98.75	97.25	....	97.50	88.50
Do.	4½	1959	4.69	99.60	....	....	97.50	88.75
Nat. Service Loan	5	1936	4.45	102.10	101.75	....	101.75	96.25
Do.	5	1941	4.68	102.50	102.25	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
October 4, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.65	1.00
Acadia Sugar pf.	2.70	3.10
Acme Farmers Dairy pfd.	62.25	68.00
Acme Glove pfd. bonus c.	7.00	8.00
Agnew Surpass pfd.	61.00	70.00
Allens Lond. pf.	30.50	....
Allens Toronto pf.	15.50	....
Andian National Corp.	25.25	28.50
B.C. Pulp & Paper pfd.	5.00	8.00
Burns pfd. bonus com.	6.00	....
Canada & Dom. Sugar c.	21.50	24.00
Canada Mach. c.	3.00	5.00
Canada Mach. pf.	26.00	....
Canada Pack. c.	14.00	16.00
Canada Pack. pf.	66.00	....
Canada Starch pf.	63.25	68.00
Canada Tea pfd.	....	53.00
Canada Wire & Cable pfd. W.W.	72.25	75.00
Can. Industries c. "A"	81.00	83.00
Can. Industries c. "B"	80.50	81.50
Can. Industries 7% pfd.	111.00	113.00
Can. Westing.	39.00	42.00
Chase, A. W. Units	22.00	25.00
Claude Neon Gen. Adv. Units	22.50	23.50
Claude Neon Gen. Adv. c.	2.25	2.75
Crescent Creameries pfd.	60.50	70.00
Dodge Manufacturing "A" pfd.	5.00	....
Dodge Manufacturing "B" c.	2.25	....
Dom. Foundries & Steel c.	6.00	8.00
Dom. Foundries & Steel pfd.	71.00	74.00
Dom. Mfrs. pfd.	67.00	71.00
Dunlop Tire 7% pfd.	45.25	50.00
Eastern Dairies Ltd. pfd.	64.00	69.00
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	41.00	....
General Steel Wares pfd.	7.00	9.00
Goderich Elevator & Transit	9.25	10.25
Greening Wire 7% pfd.	65.00	69.00
Guardian Realty pfd.	19.00	24.00
Guelph Carpet pfd. bonus c.	71.00	74.00
Guelph Carpet c.	5.25	....
Inter. City Baking c.	34.00	39.00
Inter. Proprietaries "A"	26.50	27.25
Langleys pfd.	....	35.00
Loew's London pfd. 7%	2.65	3.00
Loew's Lond. c.	.20	....
Massey Harris pfd.	17.00	18.00
Melchers Distilleries "A"	1.25	....
Mount Royal Htl. com.	.50	.80
Mount Royal Htl. pfd.	5.75	7.50
Nat. Grocers c.	1.25	1.75
Nat. Grocers 2nd pfd.	42.50	46.00
National Sewer Pipe "A"	18.75	....
National Sewer Pipe c.	6.75	....
Neilson, Wm., c.	5.25	....
Ont. Silknit pfd.	19.25	21.00
Provincial Paper 7% pfd.	40.50	45.00
Reliance Grain pfd.	61.50	....
Rolland Paper pfd. W.W.	31.00	33.00
Standard Clay Products c.	16.00	21.00
Standard Fuel pfd. bonus	55.00	58.00
Supertest Petroleum "B" pfd.	18.50	22.00
Toronto Brick pf.	....	37.00
Toronto Carpet c.	....	90.00
Toronto Carpet 8% pfd.	....	87.00

Industrial Stocks:	Bid	Asked
Toronto Elevators 7% pfd.	75.00	78.00
Toronto Housing com.	15.00	23.00
Western Grain pfd. bonus	34.00	38.00
Willards Choc. pf.	....	22.00
Insurance Stocks:		
Br. Amer. Insur.	31.00	40.00
Canada Life Ass.	360.00	400.00
Canada Nat. Fire	16.00	....
Can. Fire Ins.	60.00	68.00
Confederation Life 20% pd.	115.00	128.00
Continental Life 20% pd.	48.00	55.00
Crown Life Ins.	105.00	130.00
Dom. Fire Ins.	90.50	100.00
Dom. Life 50% pd.	220.00	270.00
Dom. of Can. General Ins.	108.00	125.00
Excelsior Life 30% pd.	72.50	78.00
Fidelity Ins. of Can.	....	60.75
Great West Life Assurance	240.00	260.00
Guarantee Co. of N. A.	176.00	225.00
Halifax Fire Ins.	13.50	14.50
Imperial Life Ass.	240.00	260.00
Mfrs. Life Ins.	230.00	245.00
Monarch Life 10% pd.	20.50	24.00
Nat. Life 25% pd.	65.00	72.00
Saskatchewan Life 10% pd.	11.50	16.00
Sovereign Life 25% pd.	19.50	25.00
Sun Life Assur.	375.00	390.00
Western Assur. c.	14.75	16.00
Western Life 20% pd.	8.00	12.50
Trust & Loan Stocks:		
Can. Gen. Investments Ltd.	3.95	4.05
Deb. & Sec. c.	6.00	....
Chartered Trust	65.00	70.00
Deb. & Sec. pfd.	22.00	....
Eastern Canada Sav. & Loan	107.00	118.00
Eastern Trust	136.00	160.00
Guelph & Ont. Invest. par $50	45.50	51.00
Lambton Loan & Savings	53.00	60.00
Investment Foundation Units	13.75	18.00
London & Western Trust	81.00	85.00
Mtge. Disc. pfd.	2.25	3.00
Mutual Fin. pf.	....	2.25
Northern Trust	....	24.25
Premier Trust	82.50	86.00
Provincial Bank	100.00	103.50
Security Loan & Savings	95.50	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	58.00	62.00
Traders Fin. c.	.65	1.35
Traders Fin. pfd.	17.25	....
Trusts & Guar.	41.25	44.00
Union Trust	....	95.00
Victoria Trust & Savings	169.00	....
Waterloo Trust & Savings	96.00	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	94.50	96.00
Calgary Power 6% pfd.	77.00	79.00
Can. Light & Power c.	17.50	22.00
Can. West. Nat. Gas LH&P c.	19.50	25.00
Can. West. Nat. Gas LH&P pfd.	77.50	79.00
Great Lakes Power pfd.	....	67.00
Maritime Tel. & Tel. c.	11.00	12.00
Maritime Tel. & Tel. pfd.	10.50	11.50
N.B. Tel. c.	8.25	9.00
N.S. L&P pfd.	71.50	80.00
Recent London Quotations:		
Brewer Distillers	4s. 6d.	
Can. & For. sec.	3s. 9d.	
Can. West. Lumber	1s. 6d.	
Hudson's Bay	23s. 9d.	
Do., 5%	75s.	
Internat. Holdings	$1 13/16	
Nfld. Pr. & Pap. deb. stock "B"	100½	
Trust & Loan of Can.	2s. 6d.	

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	12c	3c	Oct. 15	Sept. 30
Brantford Cordage pref.	8%	2%	Oct. 20	Sept. 20
Bell Telephone	7%	1¾%	Oct. 15	Sept. 23
B. C. Power "A"	$2	50c	Oct. 15	Sept. 30
Belding Cort. c.	7%	1¾%	Nov. 1	Oct. 15
Canada Dry	$1.20	30c	Oct. 15	Oct. 1
Can. Industries, pref.	7%	1¾%	Oct. 15	Sept. 30
Do., com. "A" and "B"	$3.50	87½c	Oct. 31	Sept. 30
Can. Northern Pr.	80c	20c	Oct. 25	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Canadian Car pref.	$1.75	43c	Oct. 8	Sept. 26
Canada Bud	$1	25c	Oct. 15	Sept. 30
Can. Fairbanks, pfd.	6%	1½%	Oct. 15	Oct. 5
Crescent Creamery pfd.	7%	1¾%	Oct. 15	Sept. 30
Canadian Bronze	$1.25	31¼c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Can. West. Nat. Gas c.	$4	$1	Oct. 15	Oct. 14
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Textile pfd.	7%	1¾%	Oct. 15	Sept. 30
Dome Mines	$1	25c	Oct. 20	Sept. 30
Do., bonus	...	10c	Oct. 20	Sept. 30
Eastern Dairies pref.	7%	1¾%	Oct. 15	Sept. 30
East. Can. Savings	$8	$2	Oct. 1	Sept. 21
Eastern Twps. Tel.	72c	36c	Oct. 15	Sept. 30
Guar. of N. America	$6	$1.50	Oct. 15	Sept. 30
Do., extra	$10	$2.50	Oct. 15	Sept. 30
Howe Sound, c.	40c	10c	Oct. 15	Sept. 30
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 3
Inter. Utilities, prior pfd.	7%	1¾%	Nov. 1	Oct. 15
Do., pref.	$3.50	87½c	Nov. 1	Oct. 15
Do., pfd. (1931)	$1.75	43¾c	Oct. 15	Oct. 1
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
Inter. Hydro-Elec. pfd.	$3.50	87½c	Oct. 15	Sept. 26
Invest. Foundation pfd.	$3	87c	Oct. 15	Sept. 30
London Life Insur.	$8	$2	Sept. 30	......
McColl Frontenac pref.	$6	$1.50	Oct. 15	Sept. 30
Monarch Mtg. & Inv. pfd.	...	10c	Oct. 15	Sept. 30
Montreal Telegraph	$3.20	80c	Oct. 15	Sept. 30
Montreal Tramways	10%	2½%	Oct. 15	Oct. 6
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
N. B. Telephone, c.	60c	15c	Oct. 15	Sept. 30
Nova Scotia Trust	$7	$3.50	Oct. 15	Sept. 30
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Penmans	$3	75c	Nov. 15	Nov. 5
Do., pref.	6%	1½%	Nov. 1	Oct. 21
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 30
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 30
Southern Can. Power, pfd.	6%	1½%	Oct. 15	Sept. 20
Sterling Pacific Oil	...	2½c	Oct. 15	Sept. 30
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Teck-Hughes	60c	15c	Nov. 1	Oct. 15
Toronto Elevators pfd.	7%	1¾%	Oct. 15	Oct. 1
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 30
United Securities	$2	50c	Oct. 15	Sept. 30
United Bond & Share	60c	15c	Oct. 15	Oct. 1
Western Grocers pfd.	7%	1¾%	Oct. 15	Sept. 20

Dividends Passed or Deferred:
Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.
Canadian Wineries, Oct. 15, passed. Last paid 5c. July 15, 1932.
Hamilton Bridge, pref. Nov. 1, deferred. Last paid $1.62½ July 15, 1932.
Sovereign Finance & D. pref. Sept. 15 passed. Last paid 20c. June 15, 1932.

Dividend Rate Reduced:
Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.
United Bond & Share c. 15c. Oct. 15. Reduced from 20c. to 15c. quarterly.

Extra Dividends:
Dome Mines 10c. Oct. 20.
Guarantee of North America $2.50, Oct. 15.

Winnipeg Grain Prices

Week to October 4

Crop year from Aug. 14, 1932 High	Low		Open Sept. 28	High for week	Low for week	Close Oct. 4
		Wheat				
.60¾	.49	Oct.	.50⅞	.50⅞	.49	.49¾
.53⅞	.50½	Nov.	.51⅝	.52	.50¼	.50⅞
.61¾	.51¾	Dec.	.52⅜	.52⅞	.51¼	.51⅝
.66	.56⅜	May	.57⅜	.58	.56⅛	.56⅜
		Oats				
.27⅞	.23½	Oct.	.23¾	.24⅜	.23¼	.23¾
.27	.23¼	Dec.	.23⅝	.24¼	.23¼	.23⅞
.29½	.26⅜	May	.27⅜	.27⅜	.26⅜	.27
		Barley				
.35⅞	.24¾	Oct.	.26	.26	.24¾	.25¾
.35	.26½	Dec.	.27⅞	.27⅞	.26⅜	.26½
.38½	.29¾	May	.31⅜	.31⅜	.29¾	.29¾
		Flax				
.85	.70¾	Oct.	.78	.78½	.75½	.75½
.87	.73	Dec.	.80	.80⅝	.78	.78
.94	.78⅝	May	.85¾	.86⅜	.83¼	.83¼
.78	.76½	Nov.	....	.78	.76½	.76½
		Rye				
.36¼	.29⅜	Oct.	.31½	.31⅝	.29⅝	.29¾
.38⅞	.31¼	Dec.	.33½	.33⅜	.31¼	.31⅝
.41⅞	.36	May	.38	.38½	.36	.36⅜

BRAZILIAN NET MAY BE HELPED BY REBEL DEFEAT

Telephone Communications Resumed — Aids Long Distance Revenue of Subsidiary

Brazilian Traction Light & Power Co. officials feel a great relief from tension as a result of the collapse of the rebellion in Brazil. The heart of the rebel activity at Santos did not affect the company's power and traction business in Rio Janeiro and Sao Paulo. It does control the City of Santos Improvements Co., which does operate a general public utilities business in Santos, but the chief loss in revenue came from the cutting of communications of the Brazilian Telephone Co. which gives service to a population almost as large as Canada's. Rio Janeiro, Sao Paulo and Santos, the three chief cities of Brazil, are connected by toll circuits and the long distance lines cover about 16,000 miles.

The cessation of hostilities has already led to a decline in the price of Santos coffee, which is a favorite source for the United States, but the experience is expected to lead United States purchasers to carry larger supplies in future than in the past. Quite a severe shortage developed in certain grades needed for blending. It is hoped by Brazilians that the price will not go back to the low mark before the rebellion but the surplus is still a very serious one in spite of the government's coffee-burning programme.

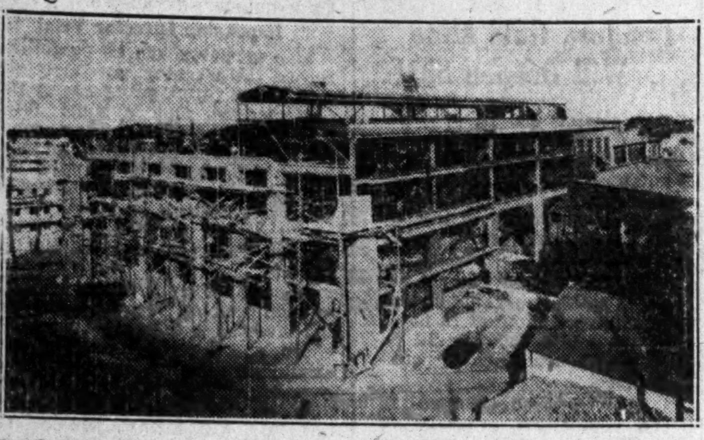
Brazilian Traction net earnings in August showed a drop of 23.8 per cent as compared with August of 1931 while for the eight months to August 31, 1932, the drop was 20.54 per cent. The greater drop in August is attributed to revolutionary activities accentuating the effect of the business depression.

Montreal Now Boasts Thousand Wholesalers

Volume of business for 1,004 wholesalers proper in the City of Montreal amounted to $283,286,100 during 1930. These establishments employed 12,289 persons who received $19,018,500 as salaries and wages. The value of stocks on hand at the end of 1930 amounted to $36,605,000.

Two hundred and forty-seven of the wholesalers in Montreal were engaged in handling food and tobacco products, their sales in 1930 being over $10 millions, which constituted 37 per cent of the total business done by wholesalers proper. Dry goods and apparel were the next group in importance, in which there were 202 establishments with sales of $39,643,700. Then follow, 31 dealers in fuel and metal products with sales of $23,814,600 and 25 wholesalers of paper and paper products with sales of $20,347,700.

Plant Expansion



Sorel Steel Foundries Ltd., at Sorel, P.Q., are at present engaged in extensive additions to their plant, new equipment to be installed including an electric furnace, sand mixer, air compressor and stand and swing grinders. The company concentrates on the manufacture of industrial alloy steel castings.

Five Canadians Included On Insull Favored List

Four Sun Life Officials Subscribed Along With Leading U. S. A. Industrialists to Defunct Utility

Revelations of Samuel Insull's activities in the utility and financial field have attracted widespread attention in the United States not only because of the enormous loss experienced by investors but also because of the prominence of the individuals associated with his activities.

Canadian interest in the affair has been negligible up to the moment, but publication of a list of the favored individuals and companies of the Insull stock subscription list, brings to light the fact that a number of Canadians were interested in his enterprises.

Favored Subscribers

In its September 30 issue, the Chicago Tribune says a list was introduced in Judge Lindley's court by Attorney Harold F. White, representing creditors of the Insull Utility Investment Co., and identified by John F. O'Keefe, who was secretary and treasurer of the company before the crash. Mr. O'Keefe explained that in August, 1930, the company offered 600,000 shares of common stock to its stockholders and that 115,000 shares, which the stockholders did not take, were turned over to what became known as the Insull Utility Investments Syndicate.

"This syndicate comprising the Insull Utility Investments Co., Insull, Son and Co., and 'two or three other companies' as well as the investors, in the words of O'Keefe, was authorized to trade in the stock.

"A total of $2 paid the full amount of the 'final call,' which made a total payment of 20 per cent last February. The stock went to $54 a share shortly after its issuance, but dropped off when the 'syndicate' began disposing of its holdings. It is now worthless."

Sun Life Big Subscriber

At the time of the stock offering, the stock was currently selling around $59 a share. The syndicate was offered the stock at $50 a share with marginal payments of 5 to 20 per cent of the quoted price. Among the company subscribers is the Middle West Utilities Co., in which the Sun Life Assurance Co. of Canada has over $13,000,000 invested, with a subscription of $350,000. This is one of the largest allotments on the list. Among other company subscribers is Nesbitt, Thomson and Co. for $75,000, on which the "final call" of $11,444.87 has been paid.

Turning to the favored individuals on the stock subscription list, the names of many prominent people are to be found. Aside from the Insulls and prominent state and national political leaders, there are such individuals as William A. Fox, of motion picture fame; John Hertz, long identified with Yellow Cab; Rosa Raisa, associated with the Civic Opera; Gen. James A. Ryan, of Radio Corp. of America; Edward A. Swift, Gerard Swope, Melvin A. Traylor, of the First National Bank; Joseph Tumulty, formerly secretary to the late Woodrow Wilson; Owen D. Young, of General Electric, and Stanley Field.

Five Canadians on List

Five Canadians are listed among the favored individuals. T. B. Macaulay, president of the Sun Life Assurance Co. of Canada, subscribed for $75,000 of the stock. The "final call" on this stock was $11,444.87, for which a note was given.

E. A. MacNutt, vice-president and treasurer of the Sun Life, subscribed for $50,000 of the stock and a note was given by him for the "final call" of $7,629.91.

J. W. Brown, assistant treasurer of the Sun Life, subscribed for $50,000. The "final call" of $7,629.91 on this block of stock was paid.

H. P. Thornhill, investment secretary of the Sun Life, subscribed for $25,000, and paid $3,814.96 on the "final call." The other Canadian on the list is A. J. Thomas, associated with Insull, Son and Co. of Canada and son of the Rt. Hon. J. A. Thomas of the British government, who subscribed for $25,000 of the stock. The "final call" on this stock was $3,814.96, which is shown on the list as unpaid.

In presenting the list in court, Attorney White said a total subscription amount of $3,500,000, or an obligation of $700,000 under the 20 per cent contracts, was still outstanding and this was his purpose in introducing the list.

Mining Stock Quotations

Week Ending October 3.

Par Val.	Range 1932 High	Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 3
1	.06	.03	Abana	2,700	.06	.05½	.05	.05
1	.03	.00½	Aconda	500	.01	.01⅛	.01½	.01½
No	.15	.15	Aldermac	......	.15	.....	.....	.....
No	.20	.08	Algoma	156,000	.09½	.09½	.08	.08
1	.09	.00¾	Alexandria	42,500	.03½	.03¼	.02½	.02¾
1	.01½	.00¼	Algonquin	19,500	.00¾	.00¾	.00¾	.00½
1	.01¾	.00¼	Amity C.	14,500	.01	.01	.00¾	.01
No	.36	.06	Amulet	20,209	.25	.26	.21½	.22
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.04	.01	Area	18,300	.03	.03½	.03	.03
.	.03½	.00¾	Arno	49,700	.02½	.03	.02½	.02½
1	.02¾	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.02½	Bagamac	......	.02½	.....	.....	.....
1	.01½	.00¾	Baldwin	10,000	.01	.01½	.01	.01
1	.12	.03½	Barry Hollinger	11,300	.05	.05	.04½	.04½
No	1.45	.30	Base Metals	1,075	1.10	1.20	1.05	1.10
No	.12	.01	Bidgood	49,100	.02½	.02½	.02	.02½
1	.21	.04	Big Missouri	16,400	.15½	.16	.14	.14½
1	.11½	.02	Bobjo	105,250	.09	.11½	.09	.10½
1	.23	.02½	Brett Trethewey	118,850	.16½	.23	.17	.18
No	.03	.00¾	Brownlee	49,300	.02¾	.02¾	.01½	.01½
1	.00¾	.00¼	Buckingham	8,500	.00½	.01	.00½	.00½
No	.36	.02	Buffalo Can.	5,500	.04	.03½	.02½	.03
No	.04	.01	Bunker Hill	10,500	.02½	.02½	.02½	.02½
5s	1.03	.10	B'Wana McKubwa	......	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.04	.02	Canam Metals	500	.04	.02	.02	.02
1	.04	.01½	Can. Kirkland	25,000	.02	.02	.01½	.01½
1	.09	.00½	Canusa	3,500	.04½	.03½	.03½	.03½
No	.02½	.00½	Capital Rouyn	1,000	.00½	.00¾	.00¾	.00¾
1	.07	.02½	Cartier Malartic	38,900	.03	.03½	.02½	.03
1	.21½	.09	Castle Trethewey	1,600	.17	.16	.16	.16
1	.09½	.03	Cen. Manitoba	5,000	.07	.06½	.06	.06
1	.14½	.02	Cen. Patricia	20,850	.09	.14½	.10	.14½
No	.07½	.01½	Chibougamau Pros.	1,500	.05	.04	.04	.04
No	.02	.00¾	Clericy	18,500	.01½	.01½	.01	.01
5	5.00	.45	Coast Copper	650	3.50	3.65	2.90	2.90
1	.02½	.00¾	Cobalt Contact	6,000	.01½	.01½	.01½	.01½
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.03	Columario	6,400	.06	.06½	.06	.06
5	1.10	.69	Coniagas	......	1.10	.....	.....	.....
No	.50	.25	Coniaurum	500	.30	.30	.30	.30
25	102.00	25.00	Cons. Smelters	2,136	83.50	86.00	79.00	80.00
No	13.25	9.00	Dome Mines	2,565	13.00	13.00	12.50	12.60
No	.10	.02	Dom. Explorers	23,500	.05½	.05½	.04½	.04½
.	.00½	.00½	Dominion Kirk.	......	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	2,500	.03½	.03	.03	.03
..	.04	.03	Duparquet	......	.03	.....	.....	.....
1	1.60	.76	Eldorado	20,610	1.35	1.38	1.25	1.25
No	2.40	.47	Falconbridge	8,355	1.95	2.10	1.88	1.88
1	.04	.00½	Federal	......	.01	.....	.....	.....
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	......	.01½	.....	.....	.....
1	.03	.00½	Goldale	......	.01½	.....	.....	.....
10	.24	.05½	Goldfield	......	.22	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.02½	Goodfish	......	.03	.....	.....	.....
1	.03½	.00½	Graham	......	.01¾	.....	.....	.....
1	1.25	.50	Granada	6,550	.88	.80	.74	.78
1	.22	.06	Grozelle	......	.09	.....	.....	.....
1	.03½	.01	Harker	14,500	.02½	.03	.02½	.02½
1	.01¾	.00¾	Hilltop	4,000	.01	.00¾	.00¾	.00¾
5	5.80	4.25	Hollinger	4,245	5.45	5.40	5.20	5.25
1	.72	.26	Howey Gold	14,260	.62	.65	.60	.60
No	5.30	.92	Hudson Bay	1,287	4.03	4.00	3.55	3.60
No	.20	.13	Huronian	......	.13	.....	.....	.....
No	13.50	4.00	Int. Nickel	18,223	10.50	11.12	10.00	10.25
1	.01¾	.00½	Jackson Manion	3,000	.01½	.01	.01	.01
1	.25	.20	Keeley	......	.22	.....	.....	.....
1	.02¾	.00½	Keora Mines	1,500	.02	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	5,500	.57	.57	.50	.50
1	.02½	.00½	Kirk. Hunton	3,000	.01	.01	.01	.01
1	.55	.19	Kirkland Lake	19,940	.33	.33	.28	.28
1	.03½	.00½	Kirkland Premier	10,500	.01½	.02½	.02	.02
1	.13	.05	Kirk. Townsite	16,500	.07½	.08	.07½	.08
20c	.01½	.00½	Koot. Florence	5,500	.00¾	.01⅛	.00¾	.00¾
1	.01½	.00¾	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	......	.25	.....	.....	.....
1	30.25	24.90	Lake Shore	1,904	29.50	29.80	29.50	29.50
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	500	.02	.01½	.01½	.01½
1	.41	.13	Macassa	52,800	.20	.21	.18	.20
1	.07	.02½	Malartic	7,000	.04	.04	.03½	.03½
1	.04	.00½	Malrobie	328,000	.02½	.04	.02	.03½
No	.08	.02	Mandy	......	.06	.....	.....	.....
No	.02	.00½	Manitoba Basin	27,500	.01	.01½	.01	.01
5	21.35	14.70	McIntyre	375	18.50	18.50	18.10	18.10
1	.35	.25	McKinley	......	.30	.....	.....	.....
No	.09½	.02½	McLeod River	35,000	.04½	.04½	.04	.04
No	1.85	.58	Mining Corp.	2,522	1.50	1.52	1.45	1.45
1	.08½	.01½	Moffatt Hall	17,500	.02½	.02½	.02½	.02½
1	.02½	.02	Moneta	......	.02	.....	.....	.....
1	.45	.19½	Moss	14,050	.35	.35	.28	.28
1	.02½	.00½	Murphy	27,000	.01½	.01½	.01	.01
No	.06	.01	Newbec	37,800	.04½	.05½	.04½	.05½
5	1.48	.50	Nipissing	916	1.25	1.28	1.25	1.25
No	23.25	12.50	Noranda	8,937	20.75	21.10	20.25	20.35
No	.36	.10	Nor. Canada	43,900	.31	.36	.31	.35
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	.09	.05	Osisko	......	.08	.....	.....	.....
1	.17	.07	Parkhill	3,700	.14	.16	.13½	.13½
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	2,000	.01½	.01½	.01½	.01½
No	1.25	.35	Pend Oreille	1,400	.90	.90	.75	.75
1	.01½	.00½	Peterson Cobalt	2,000	.01	.00¾	.00½	.00½
1	4.25	3.00	Pioneer Gold B.C.	1,483	3.75	4.05	3.98	3.99
1	.00¾	.00½	Porcupine Crown	......	.00¾	.....	.....	.....
1	.02	.00⅛	Potter Doal	......	.01	.....	.....	.....
	.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.75	.32	Premier Gold	2,900	.60	.61	.57	.57
1	.00¾	.00½	Preston E. Dome	......	.00¾	.....	.....	.....
No	.30	.15	Prospectors Air's	......	.18	.....	.....	.....
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.10	.03	Quemont	1,000	.08	.06	.05	.05
1	.02½	.00½	Ribago	6,000	.01	.01	.01	.01
1	.02½	.01	Ritchie	......	.01½	.....	.....	.....
1	.01¾	.00½	Robb Montbray	......	.01½	.....	.....	.....
1	.70	.25	San Antonio	4,690	.66	.64½	.60	.62
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	23,710	.55	.60	.55	.56½
1	1.00	.50	Siscoe	83,640	.87½	.88	.75½	.77
1	.06½	.00½	South Keora	13,500	.05½	.05½	.04½	.04½
No	.02½	.00½	Stadacona	33,500	.02½	.02½	.02	.02
1	.17	.05	St. Anthony	500	.07	.07	.07	.07
No	.90	.16	Sudbury Basin	6,050	.70	.71	.65	.65
1	.02½	.00½	Sudbury Contact	......	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	......	.00¾	.....	.....	.....
1	.22	.07	Sullivan	4,700	.15	.14	.14	.14

Par Val.	Range 1932 High	Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 3
1	.87	.39	Sylvanite	5,200	.77	.80	.70½	.27
1	.07	.01	Tashota	37,500	.01½	.02½	.01½	.02½
1	5.25	3.10	Teck Hughes	16,039	3.29	3.41	3.25	3.27
1	.07½	.02	Thom Cadillac	2,100	.05½	.05	.04	.04
1	.40	.10	Towagmac	500	.25	.21	.20	.20
1	3.00	1.01	Treadwell	......	1.95	.....	.....	.....
1	.09½	.02	United Kirkland	......	.05	.....	.....	.....
1	.10	.00½	Vacuum Gas	29,200	.08½	.09	.07	.07½
No	1.10	.16	Ventures	22,350	.80	.80	.76	.77
1	.18	.04	Vickers	1,950	.14	.14	.14	.14
1	.45	.10	Vipond	3,650	.28	.30	.25	.30
No	1.01	.25	Waite Ackerman	......	.60	.....	.....	.....
1	.08	.01	White Lake	200	.05½	.04	.04	.04
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	500	.07	.07	.07	.07
No	3.15	2.09	Wright-Hargreaves	7,605	2.91	2.95	2.87	2.89
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	9,100	.13½	.15½	.13	.13
1	1.17	.60	Ajax	1,500	.85	.85	.80	.80
1	.18	.04½	Alta. Pacific	100	.12	.12	.12	.12
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.20	.02	Associated	5,965	.11	.11	.09½	.09½
No	.09	.01	Baltac	1,200	.03	.05	.02½	.02½
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	300	.40	.40	.40	.40
1	.15	.04	Calmont	500	.07	.06	.06	.06
1	.14	.03	Common. Pete	500	.08	.07	.07	.07
No	.40	.05½	Dalhousie	1,000	.20	.21	.21	.21
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.16	.04	East Crest	1,600	.10	.10	.10	.10
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.25	.05	Foothills	......	.15	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.85	.15	Home	1,550	.50	.55	.50	.50
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homest'd O. & G.	20,300	.23	.24	.20	.21½
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	.10	.04	Lowery	......	.10	.....	.....	.....
No	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.32	.05½	Mayland	......	.24	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.22	.04½	Merland	6,000	.19	.19½	.19	.19
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.01	Nordon	9,300	.08	.09	.07½	.08
No	.06	.02	Oil Selection	14,000	.04½	.04½	.04	.04
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	9,000	.16	.18	.12	.15
No	.20	.02	Penn. Pete	258,850	.13	.13½	.11	.11
No	20.00	20.00	Perfection Pete, Pfd.	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	300	.16	.15	.15	.15
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00½	Regent	......	.00½	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	9.85	3.95	Royalite	385	9.00	8.30	8.00	8.00
1	.29½	.05	Sarnia Oil	3,000	.15	.16	.15	.15
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
.	.12	.06	South West Pete.	......	.06	.....	.....	.....
1	.20	.10	Spooner	......	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	......	.16	.....	.....	.....
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02½	.00½	Wainwell	1,500	.01½	.01½	.01½	.01½
			VANCOUVER STOCK EXCHANGE (Transaction for Week to September 27)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05½	.03½	Beaver Silver	7,500	.03½	.03½	.03½	.03½
25c	.04	.01	Bluebird	......	.03	.....	.....	.....
.	.81	.60	Bralorne	428	.75	.72	.60	.60
1	.12	.04	Bridge River Cons.	19,500	.05	.05½	.05	.05
25c	.01½	.01	Cork Province	......	.01	.....	.....	.....
1	.13	.02	Cotton Belt	2,000	.04	.03	.03	.03
.	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	1.00	.15	George Copper	300	.70	.85	.82	.82
50c	.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.02	Georgia River	214,900	.02½	.04	.02½	.03½
1	.35	.10	Golconda	700	.25	.22	.20	.20
50c	.08	.02	Grandview	4,000	.05½	.05½	.05	.05
1	.01	.00½	Independence	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.12½	.08	Inter. Coal	500	.11½	.12½	.12½	.12½
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	......	.03½	.....	.....	.....
5c	.12	.04	Metaline Metals	......	.07	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.01½	.....	.....	.....
50c	.03½	.00½	National Silver	44,000	.02½	.02½	.02	.02
50c	.08½	.02	Noble Five	9,400	.04½	.05	.04½	.04½
50c	.01	.00½	Oregon Copper	1,000	.00½	.00½	.00½	.00½
1	4.11	3.00	Pioneer Gold	1,000	3.85	3.90	3.85	3.90
50c	.08½	.02	Porter Idaho	......	.06½	.....	.....	.....
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	200	.20	.21	.21	.21
1	.60	.21½	Reno Gold	8,700	.55	.60	.55	.55
.	.02½	.01½	Rufus Argenta	......	.01¾	.....	.....	.....
1	.05	.02½	Ruth Hope	1,000	.03½	.03½	.03½	.03½
1	.05	.02½	Silverado	......	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	1,000	.01½	.02	.02	.02
50c	.02½	.00½	Snowflake	5,000	.01½	.01½	.01½	.01½
1	.79	.60	Sunloch	......	.75	.....	.....	.....
20c	.02½	.01	Wellington	......	.02	.....	.....	.....
1	.06½	.00½	Whitewater	2,500	.06	.06	.05	.05

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	21.05
Dome Mines	$1+10c.	8.73	Pioneer, B.C.	12c.	3.00
Hollinger	65c.	12.38	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.47	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	8.28	Sylvanite	4+½c.	6.25
McLeod Oils	5c.	....	Teck Hughes	60c.	18.34
Noranda	50c.	2.45	Wright-Har.	10+2½c.	4.32

Standard Seats Change Owners At Near $14,000

Some Standard Stock Mining Exchange seats have changed hands recently. As a result of the depression and events of the last few years there were a number of inactive seats but it is reported that these are being absorbed at a comparatively rapid rate. One member of the Exchange expressed the view that within a measurable time all the inactive seats will be taken up, followed by a demand for more seats than then exist.

It is reported that "Bob" Gamble, of Granada fame and closely associated with mining for many years, has bought a seat among others. The last sale was for nearly $14,000.

The recent permission given by the Toronto Stock Exchange to members to purchase seats in the Standard Mining & Stock Exchange if they so desire and if the Standard permits is being considered at a meeting held by Standard Exchange members this week. Some members are of the view that the rights of membership should be extended only to firms engaged solely in trading in mining securities. They argue that it is the job of a specialist and that best results may be attained that way.

Those who hold this view argue that members of both Exchanges by recent arrangements get full benefit of the two exchanges, Standard members doing business through a Toronto house with which they have relations and Toronto Exchange houses doing their mining business through Standard houses. The agreement to limit trading on Standard Stock & Mining Exchange to strictly mining securities, it is urged, opens the way to arrangements which will perfectly meet the needs of the public. Other members favor permitting the purchase of seats by members of the Toronto Stock Exchange to hasten the disposition of inactive seats.

The Toronto Stock Exchange offer is provisional on Standard giving its members the right to buy a seat on the Toronto Stock Exchange.

INSURANCE AD MEN MEET AT WATERLOO

Life Company and Advertising Officials Address Body

Nearly 50 executives and officials attended the first fall meeting of Insurance Advertisers' Association at Waterloo last week.

Addresses were heard from W. H. Somerville, general manager, of the Mutual Life Assurance Co.; from C. M. Bowman, president of the Mutual Life; from Ford S. Kumpf, general manager of the Dominion Life; from A. J. Denne and from Adam Smith, advertising agency executives, and J. MacLaren of Campbell-Ewald who is in charge of the institutional campaign for the companies.

Mr. MacLaren gave an exhaustive analysis of the work done in this campaign, which has been a feature of insurance company advertising for many years.

In welcoming the association, Mr. Somerville pointed to the necessity of insurance advertising being always based on sound actuarial practice in order that all misstatements be avoided. He noted that in his own company while terminations had been heavy the business for the year to date showed a nice gain. He also pointed out that lapsations in his company for the year to date were $1,000,000 below similar figures for 1931. Increasing taxation, he remarked, was causing insurance companies serious concern but because the volume of business was not as great as last year, the real pinch of the higher taxes had not been felt as greatly as they would be later on. He looked with considerable confidence on the future growth of life insurance.

Adam Smith of R. C. Smith & Sons made valuable observations on advertising in general and traced its growth during the 20th century. "It has risen," he said, "from the gutter of quackery to be one of the major achievements of the 20th century."

A. J. Denne, head of the agency of that name stressed the need of intelligence in solving our social problems in like manner as scientific problems have been attacked and solved. He stressed the need of a knowledge of psychology in advertising.

Metal Prices

New York—October 4—
Copper: Electrolytic spot, 6¼c. lb.
London—October 4—
(Long Ton)—
Copper: Electrolytic spot, £37 10s.; future, £38 . Standard spot, £33 10s.; future, £33 12s. 6d.
Tin: Spot, £151 17s. 6d.; future £153 7s. 6d.
Lead: Spot, £12 10s.; future, £12 15s.
Zinc: Spot. £15 2s. 6d.; future, £15 7s. 6d.
Silver: 17-11/16d. per ounce.

Heads Ad. Agency

KEITH B. CROMBIE, recently appointed general manager of Lord & Thomas of Canada, Ltd., and also elected secretary-treasurer of the company.

AUGUST FIGURES SHOW DECREASE IN PAPER EXPORTS

From Our Own Correspondent

MONTREAL.—Pulp and paper exports in August were valued at $7,545,883 compared with $6,515,107 in July and $8,683,177 in August, 1931. The steady decline in value of exports is more clearly illustrated by figures covering twelve months ended August, 1932, when exports were valued at $96,423,000 compared with $121,798,000, in the twelve months ended August, 1931.

Shipments in several divisions showed improvement over July, but nearly all showed declines when compared with August, 1931. In newsprint, August exports totalled 152,760 tons, an increase of some 21,000 tons over the previous month, but a drop of 8,000 tons compared with August, 1931, when exports were 160,175 tons.

Kraft pulp exports were one of the few to show improvement. Shipments in August were 63,342 cwt. a slight increase over the previous month and a gain of 9,000 cwt. over August, 1931. Bleached sulphite pulp exports were 369,098 cwt. against 282,575 cwt. in July. In August, 1931, however, they were 500,455 cwt.

Unbleached sulphite exports at 146,233 cwt. showed a gain of 60,000 cwt. over July, but compared with exports of 167,195 cwt. in August, 1931. Groundwood pulp exports were substantially lower, totalling 99,754 cwt. in August against 218,129 cwt. in July and 350,586 cwt. in August last year.

AVERS WHEAT PREFERENCE IS OF VALUE TO CANADA

(Continued from page 9)

quality bread, only with reluctance and from sheer necessity are willing to accept a lower quality. The truth of this statement will be easily apparent to those who were in Great Britain during the war or who had connections in that country in 1928 and '29, during both of which periods the British loaf became palpably lower in quality; this was frankly commented on by the British consumer, who decidedly did not care for it. We contend in short, therefore, that besides the higher price per bushel, that the British preference will lead to the use of a gradually increasing amount of Canadian wheat in the British loaf, and so to an increased quantity sold in that market.

Displacement Argument Answered

Some have contended that for every extra bushel of Canadian wheat sold in Great Britain that a competing foreign bushel will be displaced, and that the Canadian wheat that has to be sold in other than British markets will have to meet the extra competition of the displaced foreign bushels in those other markets. This, it is contended, may decrease the amount of Canadian wheat sold in foreign markets by perhaps the exact quantity of extra Canadian wheat sold in the British market because of the preference.

We reply that this may not at all prove to be the case for the reason that every Canadian bushel, if offered for sale on a basis of world values, will always have an equal fighting chance with any foreign bushel, and because of the superior quality of our wheat will no doubt have a preference in saleability if offered at the same competitive price. There is, however, another aspect here to be considered, which is that most of the wheat now imported by other than British markets has to climb over high tariff walls, in many cases amounting to two and three times the price of the wheat itself, so that the cost to the miller in these countries of imported wheat is exceedingly high.

It can therefore be assumed that these importing countries are now purchasing the least possible amount of imported wheat that they can get along with, and their importing need generally is for strong wheats of high quality, so that it would seem that the competition Canadian wheat would have to contend with in these markets, on the part of inferior foreign wheat, may not decrease the amount of Canadian wheat those countries would import.

British Market Uncertain

The minimum requirements of certain countries for Canadian or high quality imported wheat is not the case to anything like the same degree with the British miller because he is probably more experienced than others in mixing a greater variety of sometimes poor wheats to make acceptable and saleable flour. As previously mentioned in this article, from force of necessity during the war, and during the years 1928-29, because of the higher price at which Canadian wheat was being held the British miller did actually, almost drastically, reduce the percentage of Canadian wheat in his mix—certainly well below that per cent which most of us in Canada calculated he simply had to use. There can be no question but that if anything like the same condition of necessity arose again that he could equally well do this in the future.

Because of this and without the advantage of the preference we are of the opinion that the British market is perhaps, from that point of view, a none too certain nor stable market for us, at least for large quantities of our wheat. We therefore feel that the British preference at least ensures a much greater degree of certainty for us in that market than we have at the present time.

The preferences on wheat and other commodities granted by Great Britain to Canada led in turn to concessions in the form of lower duties granted by Canada to a considerable range of British goods (some of which have been transferred to the free list) such as fabricated iron and steel materials, linens, many classifications of cotton and woollen fabrics, flat glass, chemicals, gums, tableware, leather goods, etc. In consequence of the above noted preferential or lower duties, these goods will cost less in Canada, which will benefit the Western farmer because he is a purchaser of many of the above items.

To sum up, therefore, it seems to us that in consequence of the Ottawa agreements, not only will the price of wheat be increased somewhat over the price received for foreign wheat on the world's markets, but that in addition there is a strong probability that the British market for Canadian wheat will be increased and made more certain without any decrease in the sale of Canadian wheat elsewhere, and that in addition the value of Canadian wheat will be increased because many articles the farmer has to buy will be cheaper.

GENERAL BROCK BOND INTEREST NOW IN ARREARS

(Continued from page 9)

money on hand is required for working capital during that period.

Fixed Assets Are $1,518,258

At Dec. 31, 1931, the land, building and property of the company was carried in the balance sheet at $1,518,258 against which a depreciation reserve of $98,477 had been built up in the two and a half years of operation. At that date the company had current assets of $11,302 and current liabilities of $108,303. Capital stock paid in had increased during 1931 to $614,535 from $583,084. From reports it would appear that further increase in capital stock had been made in the current year.

The property consists of a 10-story hotel centrally located in Niagara Falls, Ont. In addition to some 247 bedrooms the hotel has a number of retail stores on the ground floor. On the offering of the bonds in 1928 the estimated value of finished building, site and furnishings was placed at $1,677,300 and it was estimated that on a basis of 53 per cent occupancy the hotel could show a net income of $265,797.

QUEBEC LAND SURVEYORS

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WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

85 Years old but Never Contested a Claim on a Technicality
The CANADA LIFE Assurance Company
Established 1847

SPECIFY
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Monetary Document
Bank Notes
Bonds
Stock Certificates
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Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at 25c
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Canadian Mining News

COPPER STOCKS ARE MOUNTING PRICES ADVANCE

No Justification Seen For Share or Copper Prices at Present

With the stocks of refined and blister copper continuing to mount it becomes increasingly difficult to reconcile an upward trend in copper prices and appreciation in the leading copper stocks.

The stocks of refined copper reported in the world are given at 1,600,000,000 pounds. This is in addition to approximately 600,000,000 pounds of blister copper held by some of the leading foreign producers and stocks of refined copper at the plant of fabricators. The combined stocks of the refined and blister copper therefore are about 2,300,000,000 lbs. as compared with a world consumption in 1928 and 1929 of 4,000,000,000 lbs. The 1931 world consumption was estimated at approximately 2,850,000,000 lbs. while the 1932 consumption is expected to decline to about 1,500,000,000 lbs. Therefore the current stock on hand is about one and a half year's supply for present consumption requirements.

Rhodesian Stocks Blister

A factor relating to copper stocks that is commonly overlooked is the advantage of blister copper by the Rhodesian copper producers. Under the terms of the copper cartel prior to its dissolution last June, the Rhodesian producers were given a quota based on economical production facilities, on the understanding that a large proportion of the production would be stored and not offered for sale. This stock has been steadily accumulating. Many students of the copper situation see in Rhodesia the dominant force of the copper industry in the future. It is already demonstrated that it is a low cost producer and with the huge reserves available it is not thought likely that they will be content to tie up their capital investments but rather will take full advantage of their reserves, production facilities and costs to obtain a more dominating position.

The wave of copper buying by Europe following the Ottawa Conference, was of a much greater tonnage than is generally realized, and led to the belief that Europe was preparing to expand its copper consumption greatly in the next couple of years. The persistence of the buying together with the copper consuming project being discussed and already under way in Europe, indicated that Europe was taking advantage of low prices, prior to the beginning of electrification of its railways and general industrial electrification programme, according to the opinion of the Wall Street Journal in a recent issue.

Below Cost of Production

With copper selling below the cost of production for most of the American producers, with refined copper stocks the largest in history, and with immense ore bodies and modernized plants in operation, the value of the shares of these copper stocks is subject to varied opinion as to their worth. It is thought that when the world situation becomes what is regarded as normal and the present stocks of copper have been reduced, copper will again sell at the average price of the present century or about 14 cents per lb. and at such a price will still be cheap. Many students of the copper situation do not believe that copper will advance above 12 cents a lb. for another three years and that it will have to be held at such a price in order to keep production down to consumption by keeping the higher cost producers out of the market.

Over-production at the present time is said to be confined almost entirely to outside of the United States. In United States the output is from two to three million pounds per month in excess of consumption, leaving that amount available for export which is considerably under the average of recent years. The present large stocks of copper overhanging the industry would not be in existence had it not been for the foreign producers, notably Katanga, the U. S. producers aver, which refused to reduce in step with the American producers.

Noranda Position Good

In Canada only two copper producers are operating to full plant capacity, Noranda, and Hudson Bay Mining & Smelting Co. While Noranda is operating to full smelter and concentrator capacity it is not producing copper at its maximum capacity, since owing to the flexibility of its ore bodies it is taking ore from the sections low in copper and high in gold. In this manner Noranda is able to adjust its copper production and still operate all units of the plant.

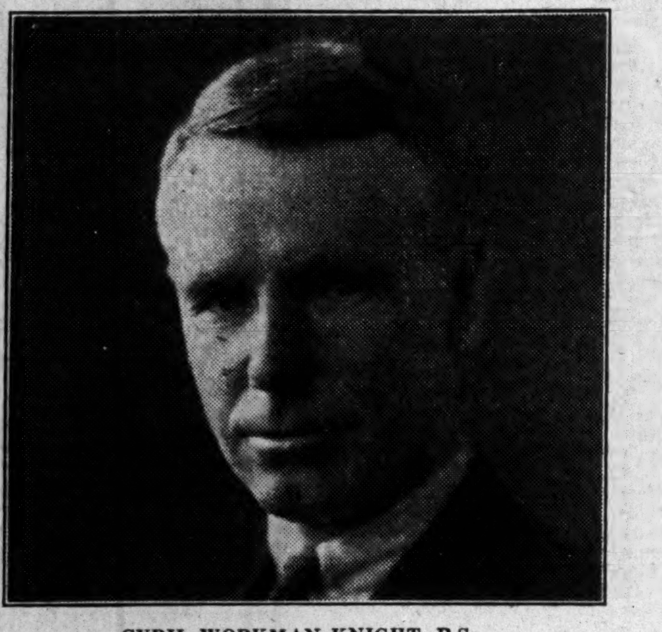
Currently Noranda is selling its entire copper production, The Financial Post is told by J. Y. Murdoch, president of the company. This happy situation is the result of sales contact made in England through the company's selling agents, the British Metals Corp. At the present time it is said that if all the copper contracted for was to be delivered it might be necessary for Noranda to go in the open market and purchase copper. The high quality of the Noranda product is, in a large measure, but not entirely, responsible for the demand in England. Important contacts are known to have been made with large English consumers friendly to Noranda and present buying can be largely accredited to Charles M. Schwab, who said "when prices are equal, deal with your friends."

Lumbermen's Mutual Gets Brant Motor Club Business

At a recent meeting of the Brant Motor Club a resolution was passed that the Lumbermen's Mutual Insurance Co., having agreed to restrict its writings in the district to members of the club, be accepted as the official company of the club, providing local means of effecting insurance are provided.

It was stated by a representative of the company that the concern was working with the London, Chatham, Kent and Hamilton motor clubs.

Mining Personages in Canada



CYRIL WORKMAN KNIGHT, B.Sc.

Geologist, president and general manager of the Cyril Knight Prospecting Co. Ltd.

Studies by Cyril W. Knight Geological Masterpieces

With International Distinction Won as Geologist He Turns His Attention to Direction of Organized Prospecting and Exploring

Geology is the basic science for all mining activity. Economic geology is that department of the science devoted to reading the rocks and interpreting their significance for the guidance of men in search of minerals. It is not an exact science and therefore a geologist must have practical experience to gain success and be able to correlate his experience with the net results of the experience of other geologists in this and other ages and countries.

Prospecting for minerals is done for the most part by a type of hearty frontiersman, inured to all the privations that go with exploration. What he has accomplished is legion, but what he might have accomplished had he had more than an elementary knowledge of geology is beyond conjecture.

Cyril W. Knight, after making a name for himself in his chosen profession as geologist, turned his attention to prospecting and scientific exploration. He is president and general manager of the Cyril Knight Prospecting Co. Ltd., one of the few technically directed exploration enterprises in Canada, and which maintains prospecting parties near and far throughout the Dominion. The company-heads is a private one and the names of his associates read like a Who's Who in Canada.

Reputation Inspires Confidence

Associates of this calibre do not enter an enterprise so hazardous and uncertain as prospecting without having more than ordinary confidence in the management. That this confidence was well earned is amply testified to by Mr. Knight's achievements and the recognition won in former years.

Born in Kingston, Ont., in 1879 he was steeped in a scientific environment from birth. His father was professor of biology at Queen's University and Mr. Knight was early saturated with the scientific atmosphere about the university. He graduated in 1903 with a B.Sc. degree in mining and geology. His scholastic career was a brilliant one. He was a protégé of the late Dr. Willard G. Miller, later provincial geologist of Ontario and his application as a student won for him a 2-year scholarship at Columbia University. Upon leaving Columbia in 1906 he became associate provincial geologist of Ontario under his old instructor, Dr. Miller, and remained with the department until 1924. During these years of his career the Cobalt camp came into prominence as one of the world's greatest silver producers and afforded him an opportunity of making a geological study of recognized importance. His study of the geology of the Sudbury nickel area, incorporated in the report of the Royal Ontario Nickel Commission, is held another contribution to the literature of Canadian mining. This report revealed his literary ability and brought requests for many articles on geological subjects from many technical publications.

Joins Large Mine

Nipissing Mining Co., Canada's largest silver producer, was looking about for a geologist in 1923 and he joined that company. What was Ontario Mines Departments loss was Nipissing's gain. He served this organization until 1928 when he headed the prospecting company that now bears his name.

Cyril Knight has a reputation for giving thorough study to every geological problem coming before him and of drawing no conclusions except from a large array of facts. If his judgment seems conservative and he does not display enthusiasm equal to that of his prospectors it is because he has learned by experience that time and development are the acid tests of the merit of mining properties. To the honesty of purpose is the acid test of men, and this attribute in himself, coupled with mature judgment, accounts for his high standing. It has brought him international recognition and he is the trusted consultant of one of the largest mining enterprises in the United States.

Awarded Bigsby Medal

Mr. Knight was awarded the Bigsby Medal in 1925, an honor that has come to two Canadians only. This medal was founded in 1876 by J. J. Bigsby, M.D., F.R.S., and is awarded bi-annually by the Geological Society of London, England, for "work of great merit."

Few mining men in Canada are as well known as Cyril Knight and the entree to and reputation he enjoys in mining circles is on a par with his recognition by financial leaders of the Dominion.

For years Toronto has been his home but his consulting practice and the direction of his prospecting enterprises take him to Canada's far-flung mining frontiers every year.

SKIDGATE-SUNRISE IS READY FOR MILL

First B. C. Mining Area Shows Signs of Mine-making Possibilities

Advice from Vancouver says the Skidgate-Sunrise property on one of the Queen Charlotte Islands, B.C., owned and being developed by the Kitsault Eagle Silver Mines, has sufficient commercial ore in sight to warrant the construction of a mill.

The present company was incorporated in 1926 and for the past year and a half development work has been of a most encouraging nature. Several small consignments of ore have been shipped to the Tacoma Smelter, yielding good results.

Interest in this area dates back to 1851 when the first lode gold mine in the province was discovered. The island, however, at that time were populated by a tribe of Indians known as the Haida, which had the reputation of being the most bloodthirsty fighters on the Pacific Coast. Pioneer miners were continually being robbed of their gold while narrowly escaping massacre by raiding parties. Finally a British warship was sent to the area to put an end to these troubles for the more settled and peaceful sections. In this way British Columbia's first gold excitement died and it was not until the early '90's that renewed interest was shown in the mineral possibilities of the islands.

The Skidgate-Sunrise property consists of about 400 acres on Graham Island, most southerly of the Queen Charlotte group. Excellent water transportation is afforded as the property fronts on the sea, and supplies are transported over a tractor route to the mine head, some three quarters of a mile inland. Future programmes call for driving a tunnel just above the water level and constructing a mill so located that its ore will be fed entirely by gravity.

Altogether approximately 2,000 ft. of underground work have been sunk. The main shaft is down 100 ft. On the main vein the ore is exposed in one drift over 200 ft. and when drifting is completed it is expected that 60,000 tons of ore will be developed to the 100 ft. level.

Mill City Petroleum Reports $15,308 Profit

The first published income and surplus account statement by Mill City Petroleums was presented at the annual meeting held in Calgary, September 27, 1932, showing net profits of $15,308 for the eight months ended August 31, 1932. This is equivalent to 1½ cents per share on the 980,835 no par value shares outstanding.

An agreement was made with Rialto Oils whereby certain leases and $500 in cash were given for 12,000 shares in Rialto Oils. No particulars of the purchases were given in the annual report as to how shareholders of Mill City hoped to benefit by the deal.

The directors of the company are W. A. Davidson, president; Wm. Kemp, sec.-treas.; W. S. Henderson, W. D. Ransom, A. H. Mayland is manager.

The balance sheet showed current assets of $37,154 including $31,224 in cash and bonds. Current liabilities were shown as $20,577, including $20,-100 owing to Miracle Oils.

The company has one small producer in the Turner Valley field, and interest in the Miracle well and a royalty on the production from the Mercury Oils.

The following is income and surplus account:

INCOME AND SURPLUS ACCOUNT
Eight Months Ended Aug. 31, 1932

	$
Prod. No. 1 well	1,219
Prod. Miracle well	3,903
Royalty, Mercury	30,504
Misc. income	843
Gross income	36,469
Less:	
Operating expense	10,622
Depreciation	10,538
Depletion	7,626
Net profit	15,308
Previous surplus	57,001
To balance sheet	72,309

Rich Ore in Canada Radium

Advices from the Canada Radium property at Wilberforce, Ont., are that at 129 ft. in the new shaft being sunk, uraninite crystals up to 2 in. in diameter have been encountered. The presence of crystals of such a diameter is an unexpected development.

Factors in Judging Mining Investments

Reputable Board of Directors Essential That Shareholders May Be Provided With Reliable Information

Third Article
By DAVID R. THOMAS

Of the many mistakes made by the inexperienced mining investor, perhaps the worst is to purchase stock in a new venture where the board of directors is inexperienced in mining matters.

It must be borne in mind that mining is a highly specialized business and it is conceded that it takes twenty years to acquire a sound knowledge. Any one graduating over night into a full blown mining expert is likely to be very badly fooled. It is true that some mines, particularly gold and silver with simple metallurgy, have been developed by people of limited mining experience, but even this has very likely been done at the expense of time and money.

Another common cause of disaster in mining investments is to place too much reliance on propaganda. The directors of many mining companies keep up an incessant propaganda in the press and fail to incorporate sufficient information in the annual reports to analyze conditions. They may refuse information at the annual meetings. At the annual meetings the president may rely more on personality than on facts and the only source of information available to the shareholders is brokers and the press. In such companies as a rule visitors are not allowed to see the mine workings and investments in them should be carefully avoided. This particularly applies to far away propositions as once the financing is completed it is difficult to get further information on them.

Sketchy Financial Statements

The experienced investor can gather much information from the way the annual reports are made up. Patchy accounts are indications that the head office and mine office accounting are out of harmony with one another. In such cases many items are inserted at the end of the year in order to balance and are easily recognizable to the experienced investor. In many cases the accounting at the mine office is subordinated to that of the head office and if the men at the head office have not had much mining experience, this system results in a good many cross entries, and the monthly cost sheets are always late and unreliable. The profits that the directors report from time to time during the year dwindle down to a small fraction of their supposed amount after taxes, depreciation, write-offs, etc., are taken into account at the end of the year.

This condition leads to a good many misunderstandings between the directors and the shareholders. Another infallible sign of bad management is when the expenses of the last month or quarter of the fiscal year are more than the average for the year. This is largely due to failure to charge out materials when consumed and no monthly balances are made.

Study the Accounts

The salient features of a well managed property are:

1. The annual report will appear shortly after the close of the fiscal year.

2. The profit and loss account will tally with the manager's cost sheet, without any loose items inserted in order to balance.

3. The cost sheet will give overall costs.

4. The annual report will give sufficient data on operation so that the shareholder can appraise future earnings.

5. The annual report will be self-contained and no supplementary information be necessary.

6. The accounts and costs will be presented in such a form that comparisons with previous years can be easily made.

The salient features of a poorly managed property are:

1. The annual report will not be issued until the statutory time allowed for its appearance has elapsed.

2. Many loose items are inserted in the profit and loss account in order to achieve a balance.

3. If reporting costs, they will be partial and unreliable.

4. The annual report will deal with the company's business in broad generalities, and will be non-committal on definite points such as ore reserves, metallurgical losses, etc.

5. The president will make some kind of a personal appeal to the shareholders at the annual meeting instead of relying on facts. Generally a telegram is read from the mine giving the last minute news.

6. The form of presenting accounts and costs will change from year to year, thereby preventing comparison with previous years.

7. When a deferred development account is carried, the amount charged out annually will not be charged to costs but switched through an auxiliary account as a write-off.

Difficult To Gauge Ore

The writer after thirty years of travelling through five different countries has not yet seen a mine with the full expectation of ore blocked out, except in cases where properties were nearing exhaustion. It is difficult to estimate the life of a mine and therefore difficult to apply any definite rule for amortization. Mines that are located on major zones of ore deposition almost invariably outlive their expected life by a very considerable margin, and it is reasonably safe to make allowance for this when trying to arrive at a time factor for amortization. In isolated mines and mines, that are located outside the major zones of ore deposition, the mineralization as a rule is weaker and these mines are not as apt to outlive their expected life to nearly the same extent as the more fortunate ones on the major zones. Therefore a provision for amortization of capital becomes a factor of greater importance. Once a property passes the zenith of its production the application of a sinking fund for amortization of capital becomes a matter of prime importance. Some writers claim that the zenith of production and the high point in the price of the stock are reached when the property is about three-quarters exhausted.

Reputable Director Vital

If a property has an established record the investor can fairly well size up the future prospects by past performance, and to some extent by comparison with similar properties of like characteristics and size, but it must be borne in mind that hardly any two Canadian mines are alike in structure, and structure is an important feature of mines in the Pre-Cambrian rocks of Eastern Canada.

In conclusion the writer is of the opinion that the best safeguard for the investor is the personnel of the board, and this the mining investor should be able to size up just as well as in any other commercial undertaking. A reputable board of directors will always provide the shareholders with sufficient reliable information to guide them at the required time.

Pandora Gold Mine Will Deepen Shaft

Following 500 ft. of drifting on the No. 5 vein system on the 250 ft. level Canadian Pandora Gold Mines has decided to immediately continue the shaft to the 500 ft. horizon and establish two more levels.

The No. 5 vein was not exposed on the surface but was encountered about 44 ft. north of the shaft showing 12 ft. of vein matter heavily mineralized.

The government road to the company's property in Cadillac township, Quebec, is to be completed this fall.

Macassa Interim Report Shows $307,000 Spent

Shareholders of Macassa Mines are in receipt of an interim report by Robert Bryce, president of the company, showing developments in the past 15 months which have cost about $307,000 including 2,489 ft. of shaft sinking, 3,326 ft. of drifting, 143 ft. of station cutting, 353 ft. of crosscutting and 1,006 ft. of diamond drilling.

During the progress of this work certain sections of ore were encountered which have a combined length of 310 ft., assaying $11.20 per ton in gold over an average width of 4.6 ft. Work was concentrated upon getting the shaft and drift connected at the 2,475-foot level and no effort was made during the progress of the work to further explore these ore sections as to widths and lengths.

A further programme of exploration has now been commenced for the purpose of developing the ore sections encountered in the drift. This work will comprise further drifting on the ore sections, diamond drilling from the drift, and the putting up of raises, to block out the ore.

Horizontal diamond drilling from the 2,475-ft. drift has encountered fractures parallel to the main break and driving crosscuts is under way to explore them. One crosscut encountered at 70 ft., a parallel fracture five feet wide upon which drifting 60 feet exposed some high-grade ore.

At the same time two raises are being put up 450 ft. apart to block out ore and also to establish new levels above the present drift.

With the new shaft completed it will now be possible to explore the westerly section of the property where favorable geological conditions for the deposition of commercial ore have been indicated by previous diamond drilling from the surface.

Canadian Mining Dividends Make Impressive Total

The following tabulation is a composite picture of the dividends paid to Sept. 1, 1932, by the leading metal mining enterprises of the Dominion classified as to province and camp:

Mine	Main product	Divids. started	Last paid	Divid. to end 1931 $	Paid in 1931 $	Paid 1932 to date $	Current rate per share	Divids. unclaimed end 1931 $
British Columbia								
Apex	Silver-lead	1924	1924	1,834	......	......	.....	.....
Bell	Silver-lead	1924	1932	313,992	4,800	......	.....	.....
Belmont-Surf-Inlet	Gold-copper	1919	1926	1,500,000	......	......	.....	.....
Cariboo McK. M. & M.‡	Gold	1900	1900	50,000	......	......	.....	.....
Centre Star‡	Silver-lead	1900	1900	35,000	......	......	.....	.....
Con. M. & Smelting	Lead-zinc	1906	1931	45,056,053	2,748,421	......	.....	4,246
Duthie	Lead-zinc	1928	1928	50,000	......	......	.....	.....
Granby	Copper	1903	1932	18,302,089	668,361	56,250	.....	.....
Highland Lass	Silver-lead	1931	1932	3,081	3,081	......	.....	.....
Howe Sound†	Copper	1918	1932	13,066,304	1,100,030	409,012	40c	.....
I. X. L.	Gold	1923	1925	100,558	......	......	.....	.....
Mountain Chief	Silver-lead	1924	1924	1,482	......	......	.....	.....
North Star‡	....	1900	1910	494,000	......	......	.....	.....
Payne‡	Silver-lead	....	1900	1,438,000	......	......	.....	.....
Pioneer	Gold	1931	1932	210,210	210,210	105,105	12c	.....
Premier	Gold	1921	1932	15,949,604	635,713	300,000	12c	.....
Roseberry-Surprise	Silver-lead	1926	1926	25,000	......	......	.....	.....
Silversmith	Silver	1923	1926	725,000	......	......	.....	.....
Wallace Mountain	Silver-lead	1923	1925	124,200	......	......	.....	.....
War Eagle‡	Silver-lead	1898	1900	551,250	......	......	.....	.....
Whitewater	Silver-lead	1926	1927	35,000	......	......	.....	.....
				97,270,157	5,370,616	870,367	.....	4,246
Nova Scotia								
Montreal-London‡	Gold-silver	1900	1900	47,928	......	......	.....	.....
Ontario								
Cobalt Area:								
Aladdin Cobalt	Silver	....	1917	75,000	......	......	.....	.....
Beaver	Silver	1911	1920	710,000	......	......	.....	.....
Buffalo	Silver	1906	1924	3,637,000	......	......	.....	.....
Casey Cobalt	Silver	....	1914	203,249	......	......	.....	.....
Castle Trethewey	Silver	1924	1925	18,027	......	......	.....	3,283
City of Cobalt	Silver	1908	1920	145,000	......	......	.....	.....
Cobalt Central	Silver	1909	1909	192,845	......	......	.....	.....
Cobalt Comet	Silver	....	1915	280,000	......	......	.....	.....
Cobalt Lake	Silver	1913	1914	465,000	......	......	.....	.....
Cobalt Silver Queen	Silver	1907	1908	315,000	......	......	.....	.....
Cobalt Townsite	Silver	....	1914	1,042,260	......	......	.....	.....
Coniagas	Silver	1907	1924	11,440,000	......	......	.....	2,325
Crown Reserve	Silver	1908	1916	6,190,849	......	......	.....	.....
Foster Cobalt	Silver	1907	1907	45,000	......	......	.....	.....
Hudson Bay	Silver	1910	1913	778,909	......	......	.....	.....
Keeley	Silver	1923	1928	2,240,000	......	......	.....	.....
Kerr Lake	Silver	1907	1927	11,121,000	......	......	.....	4,069
La Rose	Silver	1908	1923	6,600,547	......	......	.....	.....
Lorrain Trout Lake	Silver	1925	1925	150,000	......	......	.....	.....
McKinley-Darragh	Silver	1907	1920	5,955,392	......	......	.....	.....
Mining Corp.*	Silver	1914	1929	9,226,197	......	......	.....	26,958
Nipissing	Silver	1905	1931	29,940,000	......	......	.....	.....
Penn Can.	Silver	....	1917	175,462	......	......	.....	.....
Peterson Lake	Silver	....	1917	462,350	......	......	.....	.....
Right of Way Mines	Silver	1909	1917	252,825	......	......	.....	.....
Right of Way Mining	Silver	1907	1909	324,644	......	......	.....	.....
Seneca Superior	Silver	....	1916	1,579,817	......	......	.....	.....
Temiskaming	Silver	1912	1920	2,159,156	......	......	.....	.....
Temiskaming & H. B.	Silver	1905	1914	1,940,250	......	......	.....	.....
Trethewey	Silver	1906	1919	1,211,999	......	......	.....	.....
Wettlaufer Lorrain	Silver	....	1913	637,465	......	......	.....	.....
				99,515,243	......	......	.....	36,635
Porcupine Area:								
Coniaurum	Gold	1932	1932	......	......	80,923	3c init.	.....
Dome	Gold	1915	1932	15,742,510	953,334	905,668	$1+20c	42,594
Hollinger	Gold	1910	1932	58,230,400	3,444,000	2,460,000	65c+5c	60,370
McIntyre Porcupine	Gold	1917	1932	9,995,408	798,000	658,350	$1+12½c	22,350
Porcupine Crown	Gold	1914	1917	840,000	......	......	.....	.....
Rea Consolidated	Gold	1915	1915	12,000	......	......	.....	.....
Vipond	Gold	1927	1927	67,500	......	......	.....	.....
				84,887,818	5,195,334	4,104,941	.....	125,314
Kirkland Lake Area:								
Lake Shore	Gold	1918	1932	15,020,000	4,800,000	4,000,000	$3	.....
Sylvanite	Gold	1930	1932	197,970	131,980	82,487	4c+½c	.....
Teck-Hughes	Gold	1926	1932	12,905,288	3,116,643	2,158,714	60c+5c	747
Tough-Oakes	Gold	1915	1916	398,625	......	......	.....	.....
Wright-Hargreaves	Gold	1921	1932	5,431,250	825,000	275,000	10c+5c	.....
				33,953,133	8,873,623	6,516,201	.....	747
Sudbury Area:								
Int. Nickel*	Nickel	1894	1932	145,043,061	8,494,406	1,450,452	7% pref.	.....
Total Ontario				360,246,995	22,563,363	12,071,594	.....	.....
Quebec								
Noranda	Gold-copper	1930	1932	6,719,316	1,119,886	559,943	50c	1,758
Siscoe	Gold	1932	1932	......	......	347,071	12c	.....
Total Quebec				6,719,316	1,119,886	907,014	.....	1,758
Grand total Canada				467,436,656	29,053,865	13,848,975	.....	168,700

*Including predecessor companies. †Includes profit from Britannia as well as properties outside Canada. ‡Dividend record incomplete.

Bussieres Vein Not Pinched Out Officials Advise

There is no truth in the report that the vein pinched out due to a fold on the Bussieres Mining Co.'s property in Pascalis area, Joseph Errington, general manager, tells The Financial Post.

The company was formed last summer as a subsidiary of Treadwell-Yukon Co. and for the last year it has been speedily developing one of the most promising properties in the area. A three-compartment shaft was sunk to a depth of 500 ft. and in August a 100-ton test mill was started. The mill recently suspended operations owing to a breakdown in the company's hydro-electric plant on the Colombiere River and this doubtless gave rise to the report of difficulties underground.

The company's property is the farthest developed of any in the area and has been pioneering in the area. There is only a 10 per cent public interest in the undertaking and no offering of shares and it is therefore difficult to appraise the motives behind such a story when successful progress means so much to the whole area.

DOME PRODUCTION OFF LAST QUARTER

But Was Ahead of First Quarter and Average For Last Year

Production by Dome Mines for the three months ended September 30, 1932, showed the decline promised by H. P. DePencier, general manager of the company, with the output valued at $971,244 as compared with $1,147,761 in the previous quarter and the average for 1931.

While the production is greater than in the first quarter of the current year it failed to equal the second quarter owing to the rich ore shoot mined in that period which swelled the output above the average.

The following is a comparative statement of production for the past two quarters:

	3rd quar. 1932	2nd quar. 1932
Tons milled	131,700	134,850
Value, $	971,244	1,147,761
Rec. per ton, $	7.37	8.51
Daily average	1,432	1,466

Sales of 'Peg Grain Trade Nearly $400,000,000 in '30

Winnipeg's 287 wholesalers proper did business amounting to $67,775,700 in 1930, according to returns of the preliminary census of merchandising and service establishments. Brokers, commission agents, elevators, etc., had a turnover of $108,036,900 in 1930 while net sales in the grain trade amounted to $395,926,200.

Wholesalers proper employed 3,728 persons who received $5,588,800 as salaries and wages. Other wholesalers employed 349 persons and had a wage bill of $5,344,700 while 1,411 persons were employed by the grain trade (this total being for Winnipeg only) and their salaries and wages were $2,810,600.

Georgia River Gold Mines Development Encouraging

Development work is progressing favorably from the new bullion tunnel at the Georgia River Gold Mines property near Stewart, B.C., according to a Vancouver report. A cross cut is being driven from the Bullion tunnel for the purpose of cutting the southwest vein. The rock on the face of this cross cut is becoming more heavily mineralized as work progresses, indicating the vein is about to be encountered. The portal of the Bullion tunnel lies about 250 ft. below the portal of the No. 1 tunnel where persistent values of $35 per ton in gold are in evidence. The encountering of ore in the Bullion tunnel is therefore of the greatest importance to the company's programme. Samples sent to Vancouver last week taken from the open cut on the Summit vein gave average values of $11.60 per ton in gold over a width of 6 to 8 ft. This vein lies near the top of the mountain about 1,200 ft. above the camp.

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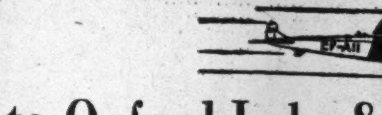

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